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House File 2449

H-8399

1 Amend House File 2449 as follows:

2 1. Page 2, after line 11 by inserting:

3 <Sec. _____. NEW SECTION. 2.40A Deferred
4 compensation.

5 A member of the general assembly who has elected
6 to participate in a deferred compensation program
7 established under section 509A.12 shall be eligible for
8 participation, including eligibility for an employer
9 contribution match, on the basis of participation rules
10 established for full-time state employees excluded
11 from collective bargaining as provided in chapter 20.
12 The member shall authorize a payroll deduction of the
13 member's contribution to the program according to the
14 member's pay plan selected pursuant to section 2.10,
15 subsection 4.>

16 2. Page 5, after line 8 by inserting:

17 <Sec. _____. EFFECTIVE DATE. The following section
18 of this division of this Act takes effect upon the
19 convening of the Eighty-fifth General Assembly in
20 January 2013:

21 1. The section of this division enacting section
22 2.40A.>

23 3. By renumbering as necessary.

R. OLSON of Polk

HF2449.5342 (1) 84

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ec/rj

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House File 2449

H-8400

- 1 Amend House File 2449 as follows:
- 2 1. By striking page 20, line 10, through page 23,
- 3 line 22.
- 4 2. By renumbering, redesignating, and correcting
- 5 internal references as necessary.

STECKMAN of Cerro Gordo

FORRISTALL of Pottawattamie



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Senate File 2311

H-8401

- 1 Amend Senate File 2311, as passed by the Senate, as
2 follows:
3 1. Page 54, after line 17 by inserting:
4 <DIVISION _____
5 IOWA COMPREHENSIVE PETROLEUM UNDERGROUND STORAGE TANK
6 FUND BOARD
7 Sec. _____. Section 455G.4, subsection 1, paragraph
8 a, subparagraphs (4) and (5), Code Supplement 2011, are
9 amended to read as follows:
10 (4) ~~Two~~ Three public members appointed by the
11 governor and confirmed by the senate to staggered
12 four-year terms, except that, of the first members
13 appointed, one public member shall be appointed for a
14 term of two years and one for a term of four years. A
15 public member shall have experience, knowledge, and
16 expertise of the subject matter embraced within this
17 chapter. ~~The two~~ A public members shall member may
18 have experience in either, or both, financial markets
19 or insurance.
20 (5) ~~Two~~ Three owners or operators appointed by the
21 governor, two of which shall be designated as follows:
22 (a) One member shall be an owner or operator who is
23 self-insured.
24 (b) One member shall be a member of the petroleum
25 marketers and convenience stores of Iowa or its
26 designee.>
27 2. By renumbering as necessary.

S. OLSON of Clinton

PAUSTIAN of Scott

SF2311.5557 (1) 84

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tm/rj

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House File 2435

H-8402

- 1 Amend the amendment, H-8213, to House File 2435 as
2 follows:
3 1. Page 2, by striking lines 26 through 35 and
4 inserting:
5 <d. The general assembly finds that it is the
6 policy of this state that public funds shall not
7 be used for the payment of abortion procedures.
8 This prohibition includes but is not limited to the
9 use of public funds, directly or indirectly, for
10 administrative costs or expenses, overhead, employee
11 salaries, rent, and telephone or other utilities of
12 abortion referral or abortion counseling services.>
13 2. Page 2, by striking lines 46 through 49.
14 3. Page 3, by striking lines 34 through 36 and
15 inserting <abortions or maintains or operates a
16 facility where abortions are performed.>
17 4. By renumbering as necessary.

SHAW of Pocahontas



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House File 2449

H-8403

- 1 Amend House File 2449 as follows:
- 2 1. By striking page 8, line 19, through page 9,
- 3 line 15.
- 4 2. By renumbering as necessary.

HALL of Woodbury

GASKILL of Wapello



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Senate File 2171

H-8404

- 1 Amend Senate File 2171, as passed by the Senate, as
- 2 follows:
- 3 1. Page 1, line 2, after <chiropractic> by
- 4 inserting <or a physical therapist>
- 5 2. Page 1, line 8, by striking <chapter 151>
- 6 and inserting <chapter 151, or a physical therapist
- 7 licensed pursuant to chapter 148A,>
- 8 3. Title page, by striking line 2 and inserting
- 9 <certain health care providers.>

WESSEL-KROESCHELL of Story



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Senate File 430

H-8405

- 1 Amend the amendment, H-8270, to Senate File 430,
2 as amended, passed, and reprinted by the Senate, as
3 follows:
4 1. Page 2, after line 20 by inserting:
5 <__. Page 4, line 32, by striking <dismiss the
6 action without prejudice> and inserting <stay the
7 action pending resolution of the complaint with the
8 board>
9 __. Page 5, line 1, by striking <dismissed> and
10 inserting <stayed>
11 2. Page 2, after line 36 by inserting:
12 <__. Page 11, line 19, after <operations,> by
13 inserting <procedures for the handling of confidential
14 information by the executive director and members of
15 the board, conflict of interest policies for board
16 members,>>
17 3. By renumbering as necessary.

ROGERS of Black Hawk



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House File 2460 - Introduced

HOUSE FILE 2460
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 540)

A BILL FOR

1 An Act relating to Iowa's urban renewal law and incremental
2 property taxes by modifying provisions relating to the
3 duration of urban renewal areas, the approval, duration, and
4 use of divisions of revenue, requiring certain reporting and
5 auditing, and including effective date provisions.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 2.48, subsection 3, paragraph b,
2 subparagraph (4), Code 2011, is amended by striking the
3 subparagraph.

4 Sec. 2. Section 11.11, Code Supplement 2011, is amended to
5 read as follows:

6 **11.11 Scope of audits.**

7 The written report of the audit of a governmental
8 subdivision shall include the auditor's opinion as to whether a
9 governmental subdivision's financial statements are presented
10 fairly in all material respects in conformity with generally
11 accepted accounting principles or with an other comprehensive
12 basis of accounting. As a part of conducting an audit of a
13 governmental subdivision, an evaluation of internal control
14 and tests for compliance with laws and regulations shall be
15 performed. As part of conducting an audit of a governmental
16 subdivision, an evaluation of the governmental subdivision's
17 compliance with the reporting requirements of section 331.403,
18 subsection 3, or 384.22, subsection 2, if applicable, shall be
19 performed.

20 Sec. 3. Section 331.403, subsection 3, Code 2011, is amended
21 by striking the subsection and inserting in lieu thereof the
22 following:

23 3. a. Each county that had an ordinance providing for a
24 division of revenue in an urban renewal area under section
25 403.19 in effect at any time during the most recently ended
26 fiscal year shall complete for each such urban renewal area
27 and file with the department of management a tax increment
28 financing report by December 1 following the end of such fiscal
29 year. Each report shall be approved by the affirmative vote
30 of a majority of the board and be prepared in the format
31 and submitted electronically pursuant to the instructions
32 prescribed by the department of management in consultation with
33 the legislative services agency.

34 b. The report required under this subsection shall include
35 all of the following as of June 30 of the most recently ended



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1 fiscal year or the information for such fiscal year, as
2 applicable:

3 (1) Whether the urban renewal area is determined by the
4 county to be a slum area, blighted area, economic development
5 area or a combination of those areas, and the date such
6 determination was made.

7 (2) A map clearly identifying the boundaries of the urban
8 renewal area.

9 (3) A copy of the ordinance providing for a division of
10 revenue in the urban renewal area under section 403.19.

11 (4) A copy of the urban renewal plan adopted for the urban
12 renewal area.

13 (5) Information included in the county budget under section
14 331.434, subsection 1, relating to the urban renewal area, for
15 the fiscal year.

16 (6) A copy of the certification to the county auditor made
17 pursuant to section 403.19, subsection 5, or the information
18 previously certified to the county auditor under section
19 403.19, subsection 5, for amounts payable during the fiscal
20 year from the county's special fund created in section 403.19.

21 (7) A list and description of all uncompleted urban renewal
22 projects within the urban renewal area and all urban renewal
23 projects that were completed during the fiscal year.

24 (8) A description of each expenditure during the fiscal year
25 from the county's special fund created in section 403.19. Each
26 such expenditure shall be classified by the county according
27 to categories established by the department of management and
28 shall be designated as corresponding to the specific loan,
29 advance, indebtedness, or bond which qualifies for payment from
30 the special fund under section 403.19. Each such expenditure
31 shall also be designated as corresponding to one or more
32 specific urban renewal projects.

33 (9) The total amount of loans, advances, indebtedness, or
34 bonds, including interest negotiated on such loans, advances,
35 indebtedness, or bonds, which qualify for payment from the

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1 special fund created in section 403.19, and which were incurred
2 or issued during the fiscal year. Each such loan, advance,
3 debt, or bond shall be classified by the county according to
4 categories established by the department of management and
5 shall be designated as corresponding to one or more specific
6 urban renewal projects.

7 (10) The total amount of loans, advances, indebtedness,
8 or bonds that remain unpaid at the close of the fiscal year,
9 and which qualify for payment from the special fund created in
10 section 403.19, including interest negotiated on such loans,
11 advances, indebtedness, or bonds.

12 (11) The total amount of property taxes that were suspended,
13 abated, exempted, rebated, refunded, or reimbursed by the
14 county, used to fund a grant provided by the county, or
15 directly paid by the county during the fiscal year for property
16 in the urban renewal area using moneys in the county's special
17 fund created in section 403.19 and such amounts agreed to by
18 the county for future fiscal years.

19 (12) A list of all properties, including the owner of such
20 properties, and the amount of property taxes due and payable
21 for the fiscal year that were suspended, abated, exempted,
22 rebated, refunded, or reimbursed by the county, used to fund a
23 grant provided by the county, or directly paid by the county
24 during the fiscal year using moneys in the county's special
25 fund created in section 403.19 and information for such amounts
26 agreed to by the county for future fiscal years.

27 (13) The balance of the county's special fund created in
28 section 403.19.

29 (14) The total sum of the assessed value of the taxable
30 property in the urban renewal area, as shown on the assessment
31 roll used to calculate the amount of taxes under section
32 403.19, subsection 1, for the fiscal year.

33 (15) The total assessed value of each classification of
34 taxable property located in the urban renewal area.

35 (16) The total amount of taxes, as determined under section



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1 403.19, subsection 2, that was available for allocation to and
2 when collected payment into the special fund of the county for
3 the fiscal year.

4 (17) The amount of taxes determined under section 403.19,
5 subsection 2, in excess of the amount required to pay the
6 applicable loans, advances, indebtedness, and bonds, if any,
7 and interest thereon, for the fiscal year that was paid into
8 the funds for the respective taxing districts in the same
9 manner as taxes on all other property.

10 (18) Interest or earnings received during the fiscal year
11 on amounts deposited into the special fund created in section
12 403.19. The amounts of interest or earnings shall also be
13 designated as corresponding to one or more specific urban
14 renewal projects.

15 (19) All other additional information or documentation
16 deemed relevant by the department of management.

17 c. By December 1, 2012, the department of management,
18 shall make publicly available on an internet site a searchable
19 database of all such information contained in the reports
20 required under this subsection. Reports from previous years
21 shall be retained by the department and shall continue to be
22 available and searchable on the internet site.

23 Sec. 4. Section 331.403, Code 2011, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 4. The annual financial report and the tax
26 increment financing report required under this section shall be
27 filed with the department of management prior to the adoption
28 of the county budget under section 331.434 for the fiscal year
29 beginning July 1 following the date such reports are due.

30 Sec. 5. Section 331.434, unnumbered paragraph 1, Code 2011,
31 is amended to read as follows:

32 Annually, the board of each county, subject to section
33 331.403, subsection 4, sections 331.423 through 331.426, and
34 other applicable state law, shall prepare and adopt a budget,
35 certify taxes, and provide appropriations as follows:

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1 Sec. 6. Section 357H.9, Code 2011, is amended to read as
2 follows:

3 **357H.9 Incremental property taxes.**

4 1. The board of trustees shall provide by resolution that
5 taxes levied on the taxable property in a rural improvement
6 zone each year by or for the benefit of the state, city,
7 county, school district, or other taxing district after the
8 effective date of the resolution shall be divided as provided
9 in section 403.19, subsections 1 and 2, in the same manner
10 as if the taxable property in the rural improvement zone was
11 taxable property in an urban renewal area and the resolution
12 was an ordinance within the meaning of those subsections. The
13 taxes received by the board of trustees shall be allocated to,
14 and when collected be paid into, a special fund and may be
15 irrevocably pledged by the trustees to pay the principal of and
16 interest on the certificates, contracts, or other obligations
17 approved by the board of trustees to finance or refinance, in
18 whole or in part, an improvement project. As used in this
19 section, "taxes" includes, but is not limited to, all levies on
20 an ad valorem basis upon land or real property located in the
21 rural improvement zone.

22 2. a. Each board of trustees that has by resolution
23 provided for a division of revenue in the rural improvement
24 zone during the most recently ended fiscal year shall complete
25 and file with the department of management a tax increment
26 financing report by December 1 following the end of such
27 fiscal year. The report shall be approved by the affirmative
28 vote of a majority of the board of trustees and be prepared
29 in the format and submitted electronically pursuant to the
30 instructions prescribed by the department of management in
31 consultation with the legislative services agency.

32 b. The report required under this subsection shall include
33 substantially the same information required for counties under
34 section 331.403, subsection 3, as of June 30 of the most
35 recently ended fiscal year or the information for such fiscal



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1 year, as applicable.

2 c. By December 1, 2012, the department of management,
3 shall make publicly available on an internet site a searchable
4 database of all such information contained in the reports
5 required under this subsection. Reports from previous years
6 shall be retained by the department and shall continue to be
7 available and searchable on the internet site.

8 d. A board of trustees that fails to satisfy the
9 requirements of this subsection shall have all future
10 incremental taxes withheld from payment into the rural
11 improvement zone's special fund until such requirements are
12 met.

13 Sec. 7. Section 384.16, unnumbered paragraph 1, Code 2011,
14 is amended to read as follows:

15 Annually, a city that has satisfied the requirements of
16 section 384.22, subsection 3, shall prepare and adopt a budget,
17 and shall certify taxes as follows:

18 Sec. 8. Section 384.22, Code 2011, is amended to read as
19 follows:

20 **384.22 Annual report — tax increment financing report.**

21 1. Not later than December 1 of each year, a city shall
22 publish an annual report as provided in section 362.3
23 containing a summary for the preceding fiscal year of all
24 collections and receipts, all accounts due the city, and all
25 expenditures, the current public debt of the city, and the
26 legal debt limit of the city for the current fiscal year. The
27 report shall be prepared on forms and pursuant to instructions
28 prescribed by the auditor of state. A copy of this report must
29 be filed with the auditor of state not later than December 1 of
30 each year.

31 ~~A city that fails to meet the filing deadline imposed by~~
32 ~~this section shall have withheld from payments to be made to~~
33 ~~the county which are allocated to the city pursuant to section~~
34 ~~425.1 an amount equal to five cents per capita until the annual~~
35 ~~report is filed with the auditor of state.~~

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1 2. a. Each city that had an ordinance providing for a
2 division of revenue in an urban renewal area under section
3 403.19 in effect at any time during the most recently ended
4 fiscal year shall complete for each such urban renewal area
5 and file with the department of management a tax increment
6 financing report by December 1 following the end of such fiscal
7 year. Each report shall be approved by the affirmative vote
8 of a majority of the city council and be prepared in the format
9 and submitted electronically pursuant to the instructions
10 prescribed by the department of management in consultation with
11 the legislative services agency.
12 b. The report required under this subsection shall include
13 all of the following as of June 30 of the most recently ended
14 fiscal year:
15 (1) Whether the urban renewal area is determined by the city
16 to be a slum area, blighted area, economic development area or
17 a combination of those areas, and the date such determination
18 was made.
19 (2) A map clearly identifying the boundaries of the urban
20 renewal area.
21 (3) A copy of the ordinance providing for a division of
22 revenue in the urban renewal area under section 403.19.
23 (4) A copy of the urban renewal plan adopted for the urban
24 renewal area.
25 (5) Information included in the city budget under section
26 384.16, subsection 1, paragraph "b", relating to the urban
27 renewal area, for the fiscal year.
28 (6) A copy of the certification to the county auditor made
29 pursuant to section 403.19, subsection 5, or the information
30 previously certified to the county auditor under section
31 403.19, subsection 5, for amounts payable during the fiscal
32 year from the city's special fund created in section 403.19.
33 (7) A list and description of all uncompleted urban renewal
34 projects within the urban renewal area and all urban renewal
35 projects that were completed during the fiscal year.



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1 (8) A description of each expenditure during the fiscal
2 year from the city's special fund created in section 403.19.
3 Each such expenditure shall be classified by the city according
4 to categories established by the department of management and
5 shall be designated as corresponding to the specific loan,
6 advance, indebtedness, or bond which qualifies for payment from
7 the special fund under section 403.19. Each such expenditure
8 shall also be designated as corresponding to one or more
9 specific urban renewal projects.

10 (9) The total amount of loans, advances, indebtedness, or
11 bonds, including interest negotiated on such loans, advances,
12 indebtedness, or bonds, which qualify for payment from the
13 special fund created in section 403.19, and which were incurred
14 or issued during the fiscal year. Each such loan, advance,
15 debt, or bond shall be classified by the city according to
16 categories established by the department of management and
17 shall be designated as corresponding to one or more specific
18 urban renewal projects.

19 (10) The total amount of loans, advances, indebtedness,
20 or bonds that remain unpaid at the close of the fiscal year,
21 and which qualify for payment from the special fund created in
22 section 403.19, including interest negotiated on such loans,
23 advances, indebtedness, or bonds.

24 (11) The total amount of property taxes that were suspended,
25 abated, exempted, rebated, refunded, or reimbursed by the city,
26 used to fund a grant provided by the city, or directly paid
27 by the city during the fiscal year for property in the urban
28 renewal area using moneys in the city's special fund created
29 in section 403.19 and such amounts agreed to by the city for
30 future fiscal years.

31 (12) A list of all properties, including the owner of such
32 properties, and the amount of property taxes due and payable
33 for the fiscal year that were suspended, abated, exempted,
34 rebated, refunded, or reimbursed by the city, used to fund a
35 grant provided by the city, or directly paid by the city during



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1 the fiscal year using moneys in the city's special fund created
2 in section 403.19 and information for such amounts agreed to by
3 the city for future fiscal years.
4 (13) The balance of the city's special fund created in
5 section 403.19.
6 (14) The total sum of the assessed value of the taxable
7 property in the urban renewal area, as shown on the assessment
8 roll used to calculate the amount of taxes under section
9 403.19, subsection 1, for the fiscal year.
10 (15) The total assessed value of each classification of
11 taxable property located in the urban renewal area.
12 (16) The total amount of taxes, as determined under section
13 403.19, subsection 2, that was available for allocation to and
14 when collected payment into the special fund of the city for
15 the fiscal year.
16 (17) The amount of taxes determined under section 403.19,
17 subsection 2, in excess of the amount required to pay the
18 applicable loans, advances, indebtedness, and bonds, if any,
19 and interest thereon, for the fiscal year that was paid into
20 the funds for the respective taxing districts in the same
21 manner as taxes on all other property.
22 (18) Interest or earnings received during the fiscal year
23 on amounts deposited into the special fund created in section
24 403.19. The amounts of interest or earnings shall also be
25 designated as corresponding to one or more specific urban
26 renewal projects.
27 (19) All other additional information or documentation
28 deemed relevant by the department of management.
29 c. By December 1, 2012, the department of management,
30 shall make publicly available on an internet site a searchable
31 database of all such information contained in the reports
32 required under this subsection. Reports from previous years
33 shall be retained by the department and shall continue to be
34 available and searchable on the internet site.
35 3. The annual financial report and the tax increment



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1 financing report required under this section shall be filed
2 with the department of management prior to the adoption of the
3 city budget under section 384.16 for the fiscal year beginning
4 July 1 following the date such reports are due.

5 Sec. 9. Section 403.5, subsections 1, 2, 3, 5, and 7, Code
6 2011, are amended to read as follows:

7 1. a. A municipality shall not approve an urban renewal
8 project for an urban renewal area unless the governing body
9 has, by resolution, determined the area to be a slum area,
10 blighted area, economic development area or a combination of
11 those areas, and designated the area as appropriate for an
12 urban renewal project. The local governing body shall not
13 approve an urban renewal plan until a general plan for the
14 municipality has been prepared. For this purpose and other
15 municipal purposes, authority is vested in every municipality
16 to prepare, to adopt and to revise from time to time, a general
17 plan for the physical development of the municipality as a
18 whole, giving due regard to the environs and metropolitan
19 surroundings. A municipality shall not acquire real property
20 for an urban renewal project unless the local governing body
21 has approved the urban renewal project in accordance with
22 subsection 4.

23 b. A municipality shall not establish an urban renewal
24 area or otherwise modify the boundaries of an existing urban
25 renewal area on or after the effective date of this Act if such
26 establishment or modification would result in an increase in
27 the aggregate amount of assessed value of taxable property in
28 all urban renewal areas established by the municipality and
29 if following such establishment or modification the assessed
30 value in the aggregate of all taxable property located in all
31 urban renewal areas established in the municipality's area
32 of operation would exceed twenty-five percent of the total
33 assessed value of all taxable property within the corporate
34 limits of the municipality if the municipality is a city or
35 exceed twenty-five percent of the total assessed value of all

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1 taxable property outside the corporate boundaries of a city if
2 the municipality is a county.

3 2. a. The municipality may itself prepare or cause to be
4 prepared an urban renewal plan; or any person or agency, public
5 or private, may submit such a plan to a municipality. Prior
6 to its approval of an urban renewal plan, the local governing
7 body shall submit such plan to the planning commission of the
8 municipality, if any, for review and recommendations as to
9 its conformity with the general plan for the development of
10 the municipality as a whole. The planning commission shall
11 submit its written recommendations with respect to the proposed
12 urban renewal plan to the local governing body within thirty
13 days after receipt of the plan for review. Upon receipt of
14 the recommendations of the planning commission or, if no
15 recommendations are received within the thirty days, then,
16 without such recommendations, the local governing body may
17 proceed with the ~~hearing~~ hearings on the proposed urban renewal
18 plan prescribed by subsection 3.

19 b. Prior to its approval of an urban renewal plan which
20 provides for a division of revenue pursuant to section 403.19,
21 the municipality shall mail the proposed plan by regular mail
22 to the affected taxing entities. The municipality shall
23 include with the proposed plan notification of a consultation
24 to be held between the municipality and affected taxing
25 entities prior to the public hearing on the urban renewal
26 plan. Each affected taxing entity may appoint a representative
27 to attend the consultation. The consultation may include a
28 discussion of the estimated growth in valuation of taxable
29 property included in the proposed urban renewal area, the
30 fiscal impact of the division of revenue on the affected taxing
31 entities, the estimated impact on the provision of services
32 by each of the affected taxing entities in the proposed urban
33 renewal area, and the duration of any bond issuance included
34 in the plan. The designated representative of the affected
35 taxing entity may make written recommendations for modification

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1 to the proposed division of revenue no later than seven days
2 following the date of the consultation. The representative
3 of the municipality shall, no later than seven days prior
4 to the public hearing on the urban renewal plan, submit a
5 written response to the affected taxing entity addressing the
6 recommendations for modification to the proposed division of
7 revenue. Not later than thirty days following the receipt
8 of the written response addressing the recommendations for
9 modification, the governing body of each affected taxing entity
10 shall by resolution each approve by the affirmative vote of a
11 majority of the governing body a written recommendation for
12 approval or rejection of the proposed urban renewal area and
13 state the reasons for such recommendation. Upon receipt of the
14 resolutions approved by each affected taxing entity, or thirty
15 days following receipt of the written response addressing
16 the recommendations for modifications by the affected taxing
17 entities, whichever occurs first, the local governing body may
18 proceed with the hearings prescribed by subsection 3 on the
19 proposed urban renewal plan.

20 3. The local governing body shall hold ~~a public hearing~~
21 three public hearings on an urban renewal plan after public
22 notice ~~thereof~~ of each by publication in a newspaper having
23 a general circulation in the area of operation of the
24 municipality. ~~The Each~~ notice shall describe the time, date,
25 place, and purpose of the hearing, shall generally identify
26 the urban renewal area covered by the plan, shall describe the
27 resolutions approved by each affected taxing entity if the
28 proposed urban renewal plan provides for a division of revenue
29 pursuant to section 403.19, and shall outline the general
30 scope of the urban renewal activities under consideration.
31 A copy of the notice shall be sent by ordinary mail to each
32 affected taxing entity. The hearings required under this
33 subsection shall not be waived by the local governing body.
34 At each of the three public hearings, the municipality shall
35 make available to the public all written information that

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1 the local governing body anticipates using to determine its
2 findings under subsection 4. If the proposed urban renewal
3 plan provides for a division of revenue pursuant to section
4 403.19, the resolutions approved by each affected taxing entity
5 under subsection 2, paragraph "b", shall be published in their
6 entirety in the minutes of the third public hearing.

7 5. a. An Except as otherwise provided in this subsection,
8 an urban renewal plan may be modified at any time:—Provided,
9 that if if the urban renewal plan is modified after the lease
10 or sale by the municipality of real property in the urban
11 renewal project area, such modification may be conditioned upon
12 such approval of the owner, lessee or successor in interest
13 as the municipality may deem advisable, and in any event such
14 modification shall be subject to such rights at law or in
15 equity as a lessee or purchaser, or a lessee's or purchaser's
16 successor or successors in interest, may be entitled to
17 assert. The municipality shall comply with the notification
18 and consultation process provided in this section prior to the
19 approval of any amendment or modification to an adopted urban
20 renewal plan if such amendment or modification provides for
21 refunding bonds or refinancing resulting in an increase in
22 debt service or provides for the issuance of bonds or other
23 indebtedness, to be funded primarily in the manner provided in
24 section 403.19.

25 b. Once determined to be a blighted area, a slum area, or an
26 economic development area by a municipality, an urban renewal
27 area shall not be redetermined by the municipality throughout
28 the duration of the urban renewal area.

29 7. Notwithstanding any other provisions of this chapter,
30 where the local governing body certifies that an area is in
31 need of redevelopment or rehabilitation as a result of a flood,
32 fire, hurricane, earthquake, storm, or other catastrophe
33 respecting which the governor of the state has certified
34 the need for disaster assistance under Pub. L. No. 81-875,
35 Eighty-first Congress, 64 Stat. 1109, codified at 42 U.S.C.

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1 § 1855 — 1855g or other federal law, the local governing body
2 may approve an urban renewal plan and an urban renewal project
3 with respect to such area without regard to the provisions of
4 subsection 4 and without regard to provisions of this section
5 requiring notification and consultation, a general plan for the
6 municipality, and ~~a public hearing~~ three public hearings on the
7 urban renewal plan or project.

8 Sec. 10. Section 403.5, subsection 4, Code 2011, is amended
9 by adding the following new paragraphs:

10 NEW PARAGRAPH. 0a. The proposed or expected development
11 within the urban renewal area would not otherwise occur without
12 approval of the urban renewal plan and without the use of
13 incremental tax revenues if the urban renewal plan provides for
14 a division of revenue pursuant to section 403.19.

15 NEW PARAGRAPH. 00a. The economic benefits of the urban
16 renewal area, as measured by increased employment, business
17 and personal income, and property value, are sufficient to
18 compensate for the costs and indebtedness to be incurred by the
19 municipality.

20 NEW PARAGRAPH. 000a. If the proposed urban renewal plan
21 provides for a division of revenue under section 403.19, the
22 benefits of the proposal outweigh the anticipated reduction in
23 property tax revenues to each taxing district.

24 NEW PARAGRAPH. 0000a. Other alternative development options
25 and funding for the proposed urban renewal area would be less
26 effective than the proposed urban renewal plan and the division
27 of revenue under section 403.19 if applicable.

28 Sec. 11. Section 403.8, subsection 1, Code 2011, is amended
29 to read as follows:

30 1. A municipality may sell, lease, or otherwise transfer
31 real property or any interest in real property acquired by
32 it, and may enter into contracts for such purposes, in an
33 urban renewal area for residential, recreational, commercial,
34 industrial, or other uses, or for public use, subject to
35 covenants, conditions and restrictions, including covenants

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1 running with the land, it deems to be necessary or desirable
2 to assist in preventing the development or spread of future
3 slums or blighted areas, or to otherwise carry out the purposes
4 of this chapter. However, the sale, lease, other transfer,
5 or retention, and any agreement relating to it, may be made
6 only after the approval of the urban renewal plan by the local
7 governing body. The purchasers or lessees and their successors
8 and assigns shall devote the real property only to the uses
9 specified in the urban renewal plan, and they may be obligated
10 to comply with other requirements the municipality determines
11 to be in the public interest, including the requirement to
12 begin within a reasonable time any improvements on the real
13 property required by the urban renewal plan. The real property
14 or interest shall be sold, leased, otherwise transferred, or
15 retained at not less than its fair market value for uses in
16 accordance with the urban renewal plan except as provided in
17 subsection 3. In determining the fair market value of real
18 property for uses in accordance with the urban renewal plan, a
19 municipality shall take into account and give consideration to
20 the uses provided in the plan; the restrictions upon, and the
21 covenants, conditions, and obligations assumed by the purchaser
22 or lessee or by the municipality retaining the property;
23 and the objectives of the plan for the prevention of the
24 recurrence of slum or blighted areas. The municipality in an
25 instrument of conveyance to a private purchaser or lessee may
26 provide that the purchaser or lessee shall not sell, lease, or
27 otherwise transfer the real property, without the prior written
28 consent of the municipality, until the purchaser or lessee has
29 completed the construction of any or all improvements which
30 the purchaser or lessee has become obligated to construct.
31 Real property acquired by a municipality which, in accordance
32 with the urban renewal plan, is to be transferred, shall be
33 transferred as rapidly as feasible in the public interest,
34 consistent with the carrying out of the urban renewal plan.
35 A contract for a transfer under the urban renewal plan, or



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1 a part or parts of the contract or plan as the municipality
2 determines, may be recorded in the land records of the county
3 in a manner to afford actual or constructive notice of the
4 contract or plan.

5 Sec. 12. Section 403.17, subsection 1, Code 2011, is amended
6 to read as follows:

7 1. "*Affected taxing entity*" means a city, ~~community college,~~
8 county, or school district which levied or certified for levy
9 a property tax on any portion of the taxable property located
10 within the urban renewal area in the fiscal year beginning
11 prior to the calendar year in which a proposed urban renewal
12 plan is submitted to the local governing body for approval.

13 Sec. 13. Section 403.17, subsection 10, Code 2011, is
14 amended to read as follows:

15 10. "*Economic development area*" means an area of a
16 municipality designated by the local governing body as
17 appropriate for commercial and industrial enterprises, public
18 improvements related to housing and residential development,
19 or construction of housing and residential development for low
20 and moderate income families, including single or multifamily
21 housing. If an urban renewal plan for an urban renewal area
22 adopted on or after January 1, 1995, but before the effective
23 date of this Act, is based upon a finding that the area is an
24 economic development area and that no part contains slum or
25 blighted conditions, then the division of revenue provided
26 in section 403.19, if adopted prior to the effective date of
27 this Act, and stated in the plan shall be limited to twenty
28 years from the calendar year following the calendar year in
29 which the municipality first certifies to the county auditor
30 the amount of any loans, advances, indebtedness, or bonds which
31 qualify for payment from the division of revenue provided in
32 section 403.19. ~~Such designated~~ An economic development area
33 shall not include agricultural land, including land which is
34 part of a century farm, unless the owner of the agricultural
35 land or century farm agrees to include the agricultural land

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1 or century farm in the urban renewal area. For the purposes of
2 this subsection, "*century farm*" means a farm in which at least
3 forty acres of such farm have been held in continuous ownership
4 by the same family for one hundred years or more.

5 Sec. 14. Section 403.17, subsection 25, paragraph d, Code
6 2011, is amended to read as follows:

7 *d.* Disposition of any property acquired in the urban renewal
8 area, including sale, initial leasing, or retention by the
9 municipality itself, at its fair market value for uses in
10 accordance with the urban renewal plan;

11 Sec. 15. NEW SECTION. 403.18A Urban renewal area and
12 division of revenue limitations.

13 1. Each municipality having an urban renewal area in
14 existence on the effective date of this Act that is subject to
15 a division of revenue under section 403.19 that is not limited
16 in duration under either section 403.17, subsection 10, or
17 section 403.22, subsection 5, shall be subject to one of the
18 following limitations:

19 *a.* (1) For each such urban renewal area that is an economic
20 development area, except as provided in subparagraph (2), the
21 urban renewal area including all applicable urban renewal
22 plans, projects, and ordinances providing for a division of
23 revenue shall terminate and be of no further force and effect
24 not later than June 30, 2032. The municipality may for such
25 urban renewal area continue to incur or issue additional costs
26 or indebtedness, including loans, advances, and bonds that
27 qualify for payment from the special fund created in section
28 403.19 on or after the effective date of this Act and until
29 June 30, 2032.

30 (2) A municipality may, following the filing of an
31 application for a waiver with, and approval by, the department
32 of management, extend the date of termination for the urban
33 renewal area and all applicable urban renewal plans, projects,
34 and ordinances to a date after June 30, 2032. Such an
35 application shall be filed with the department of management

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1 not later than June 30, 2013, and the application shall be
2 accompanied by all information and documentation required
3 by the department. The extended termination date shall be
4 determined by the department of management. However, an
5 extended termination date shall not be later than a date
6 determined by the department of management to be necessary
7 for the municipality to pay and retire those loans, advances,
8 bonds, or indebtedness, or portions thereof, incurred or
9 issued before the effective date of this Act that qualify for
10 payment from the special fund created in section 403.19, and
11 by the terms of such loans, advances, bonds, or indebtedness
12 are required to be paid or retired after June 30, 2032. If
13 the department of management approves a waiver under this
14 subparagraph (2), all moneys deposited into the special fund
15 of the municipality after June 30, 2032, shall be used solely
16 for the purpose of retiring such loans, advances, bonds, or
17 indebtedness. During the period of the extension, property
18 taxes collected under section 403.19, subsection 2, in excess
19 of the amount necessary under the conditions of the extension
20 shall be allocated and when collected paid into the funds for
21 the respective taxing districts in the same manner as taxes on
22 all other property.

23 **b.** (1) For each such urban renewal area that is a slum area
24 or a blighted area or a combination of those areas, the urban
25 renewal area including all applicable urban renewal plans,
26 projects, and ordinances providing for a division of revenue
27 shall continue in effect under this chapter, until such time
28 that the urban renewal area is dissolved by the municipality or
29 until the urban renewal area terminates under the conditions
30 of subparagraph (2). The municipality may for such urban
31 renewal area continue to incur or issue additional costs or
32 indebtedness, including loans, advances, and bonds, that
33 qualify for payment from the special fund created in section
34 403.19 on or after the effective date of this Act and until
35 dissolution or termination of the urban renewal area.

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1 (2) Notwithstanding any provision of this chapter to
2 the contrary, for fiscal years beginning on or after July 1,
3 2017, when calculating a division of revenue for an urban
4 renewal area described in subparagraph (1), and for which
5 the difference between the year of the assessment roll as of
6 January 1 used to calculate the amount of taxes allocated to
7 and when collected paid into the funds for the respective
8 taxing districts under section 403.19, subsection 1, and the
9 year of the assessment roll used to calculate the total amount
10 of property taxes under section 403.19 for the fiscal year in
11 which the taxes are due and payable, first exceeds fifteen
12 years, the year of the assessment roll as of January 1 that is
13 otherwise required under section 403.19, subsection 1, shall
14 be adjusted by increasing the year of the assessment roll by
15 two assessment years. Such assessment roll so adjusted shall
16 be increased in each subsequent fiscal year by two assessment
17 years until the assessment roll as of January 1 used to
18 calculate the amount of taxes allocated to and when collected
19 paid into the funds for the respective taxing districts under
20 section 403.19, subsection 1, is later in time than the year
21 of the assessment roll used to calculate the total amount of
22 property taxes under section 403.19 for the fiscal year in
23 which the taxes are due and payable, at which time the urban
24 renewal area including all applicable urban renewal plans,
25 projects, and ordinances providing for a division of revenue
26 shall terminate and be of no further force and effect.

27 2. The department of management shall adopt rules necessary
28 to implement and administer this section.

29 Sec. 16. Section 403.19, subsection 1, Code Supplement
30 2011, is amended by adding the following new paragraph:

31 NEW PARAGRAPH. d. An ordinance providing for a division
32 of revenue under this section that is adopted on or after the
33 effective date of this Act shall not apply to wind energy
34 conversion property as defined in section 427B.26, and property
35 taxes levied against such wind energy conversion property shall

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1 be allocated to and when collected paid into the funds for the
2 respective taxing districts in the same manner as all other
3 property taxes.

4 Sec. 17. Section 403.19, Code Supplement 2011, is amended by
5 adding the following new subsection:

6 NEW SUBSECTION. 3A. a. Except as provided in paragraph
7 "b" and section 403.22, an ordinance providing for a division
8 of revenue under this section that is adopted on or after the
9 effective date of this Act shall be limited to fifteen years
10 from January 1 of the first assessment year for which the total
11 sum of the assessed value of the taxable property in the urban
12 renewal area is equal to or greater than one hundred five
13 percent of the total sum of the assessed value of the taxable
14 property in the urban renewal area as shown on the assessment
15 roll used to calculate the amount of taxes under section
16 403.19, subsection 1. The urban renewal area, including all
17 applicable urban renewal plans, projects, and ordinances shall
18 terminate and be of no further force and effect following the
19 fifteen-year period provided in this subsection.

20 b. A municipality may, with the approval of the governing
21 bodies of all affected taxing entities prior to the date of
22 termination under paragraph "a", extend the division of revenue
23 under section 403.19 and the applicable urban renewal plans,
24 projects, and ordinances for up to five years if such extension
25 is determined by the affected taxing entities to be necessary
26 to sufficiently fund an urban renewal project within the urban
27 renewal area.

28 Sec. 18. Section 403.19, Code Supplement 2011, is amended by
29 adding the following new subsection:

30 NEW SUBSECTION. 9. a. Moneys from any source deposited
31 into the special fund created in this section shall not be
32 expended for or otherwise used in connection with an urban
33 renewal project approved on or after the effective date of this
34 Act that includes the relocation of a commercial or industrial
35 enterprise not presently located within the municipality,

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1 unless one of the following occurs:

2 (1) The local governing body of the municipality where
3 the commercial or industrial enterprise is currently located
4 and the local governing body of the municipality where the
5 commercial or industrial enterprise is proposing to relocate
6 enter into a written agreement approving such relocation and
7 approving those economic incentives provided to the commercial
8 or industrial enterprise as a condition of the relocation, if
9 any.

10 (2) The local governing body of the municipality where the
11 commercial or industrial enterprise is proposing to relocate
12 finds that the use of deposits into the special fund for an
13 urban renewal project that includes such a relocation is in
14 the public interest. A local governing body's finding that an
15 urban renewal project that includes a commercial or industrial
16 enterprise relocation is in the public interest shall include
17 written verification from the commercial or industrial
18 enterprise that the enterprise is actively considering moving
19 all or a part of its operations to a location outside the state
20 and a specific finding that such an out-of-state move would
21 result in a significant reduction in either the enterprise's
22 total employment in the state or in the total amount of wages
23 earned by employees of the enterprise in the state.

24 b. For the purposes of this subsection, "relocation"
25 means the closure or substantial reduction of an enterprise's
26 existing operations in one area of the state and the initiation
27 of substantially the same operation in the same county or a
28 contiguous county in the state. This subsection does not
29 prohibit an enterprise from expanding its operations in another
30 area of the state provided that existing operations of a
31 similar nature are not closed or substantially reduced.

32 Sec. 19. Section 403.19, Code Supplement 2011, is amended by
33 adding the following new subsection:

34 NEW SUBSECTION. 10. Except as authorized in section
35 403.22, subsection 4, moneys deposited into the special

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1 fund created in this section that are taxes resulting from a
2 division of revenue under this section or that are proceeds
3 from loans, advances, or bonds that qualify for payment from
4 the special fund shall only be expended from the fund for
5 purposes related to the urban renewal area from which the
6 deposits were collected or the urban renewal area from which
7 property taxes resulting from a division of revenue will be
8 collected to pay such loans, advances, or bonds, as applicable.
9 Interest or earnings received on amounts deposited into the
10 special fund created in this section shall be credited to the
11 special fund and be used solely for the purposes specified in
12 this section. Moneys deposited into the special fund that are
13 taxes, including the interest or earnings on such amounts, for
14 the payment of costs and indebtedness incurred or issued on
15 or after the effective date of this Act, including all loans,
16 advances, and bonds that qualify for payment from the special
17 fund and deposits into the special fund that are proceeds from
18 such loans, advances, and bonds, shall not be used for any of
19 the following unless approved by the governing bodies of all
20 affected taxing entities:

21 a. Public buildings, including but not limited to police
22 stations, fire stations, administration buildings, swimming
23 pools, libraries, hospitals, recreational facilities, city
24 halls, or other public buildings that are exempt from property
25 taxation, including the site or grounds of, and the erection,
26 equipment, remodeling, or reconstruction of, and additions or
27 extensions to, such buildings.

28 b. Movable property or equipment.

29 c. Buildings or facilities leased or intended in the future
30 to be leased by a public body for any of the uses specified in
31 paragraph "a".

32 d. Salaries, benefits, per diems, or expenses of any
33 employee of the municipality.

34 e. The payment of any indebtedness or cost related to
35 paragraphs "a", "b", "c", or "d".

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1 Sec. 20. Section 403.22, subsection 1, unnumbered paragraph
2 1, Code Supplement 2011, is amended to read as follows:

3 With respect to any urban renewal area established before
4 the effective date of this Act upon the determination that the
5 area is an economic development area, a division of revenue as
6 provided in section 403.19 shall not be allowed for the purpose
7 of providing or aiding in the provision of public improvements
8 related to housing and residential development, unless the
9 municipality assures that the project will include assistance
10 for low and moderate income family housing.

11 Sec. 21. Section 403.22, Code Supplement 2011, is amended by
12 adding the following new subsection:

13 NEW SUBSECTION. 1A. With respect to any urban renewal
14 area established on or after the effective date of this Act, a
15 division of revenue as provided in section 403.19 shall not be
16 allowed for the purpose of providing or aiding in the provision
17 of public improvements related to housing and residential
18 development, unless the municipality has a population of ten
19 thousand or less, has completed a housing needs assessment
20 meeting the standards set out by the economic development
21 authority, and assures that the project will include assistance
22 for low and moderate income family housing.

23 a. For a municipality with a population over five thousand
24 but equal to or less than ten thousand, the amount to be
25 provided for low and moderate income family housing for
26 such projects shall be either equal to or greater than the
27 percentage of the original project cost that is equal to the
28 percentage of low and moderate income residents for the county
29 in which the urban renewal area is located as determined by
30 the United States department of housing and urban development
31 using section 8 guidelines or by providing such other amount
32 as set out in a plan adopted by the municipality and approved
33 by the economic development authority if the municipality can
34 show that it cannot undertake the project if it has to meet the
35 low and moderate income assistance requirements. However, the

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1 amount provided for low and moderate income family housing for
2 such projects shall not be less than an amount equal to ten
3 percent of the original project cost.

4 **b.** For a municipality with a population of five thousand or
5 less, the municipality need not provide any low and moderate
6 income family housing assistance if the municipality has
7 completed a housing needs assessment meeting the standards set
8 out by the economic development authority, which shows no low
9 and moderate income housing need, and the economic development
10 authority agrees that no low and moderate income family housing
11 assistance is needed.

12 Sec. 22. Section 403.22, subsection 5, Code Supplement
13 2011, is amended to read as follows:

14 5. ~~Except~~ For urban renewal areas established before the
15 effective date of this Act, except for a municipality with a
16 population under fifteen thousand, the division of the revenue
17 under section 403.19 for each project under this section shall
18 be limited to tax collections for ten fiscal years beginning
19 with the second fiscal year after the year in which the
20 municipality first certifies to the county auditor the amount
21 of any loans, advances, indebtedness, or bonds which qualify
22 for payment from the division of the revenue in connection with
23 the project. A municipality with a population under fifteen
24 thousand may, with the approval of the governing bodies of all
25 other affected taxing districts, extend the division of revenue
26 under section 403.19 for up to five years if necessary to
27 adequately fund the project. The portion of the urban renewal
28 area which is involved in a project under this section shall
29 not be subject to any subsequent division of revenue under
30 section 403.19.

31 Sec. 23. Section 403.22, Code Supplement 2011, is amended by
32 adding the following new subsection:

33 NEW SUBSECTION. 5A. For urban renewal areas established
34 on or after the effective date of this Act, the division of
35 revenue under section 403.19 for each project under this

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1 section shall be limited to tax collections for ten fiscal
2 years beginning with the second fiscal year after the year in
3 which the municipality first certifies to the county auditor
4 the amount of any loans, advances, indebtedness, or bonds
5 which qualify for payment from the division of the revenue
6 in connection with the project. A municipality may, with
7 the approval of the governing bodies of all other affected
8 taxing districts, extend the division of revenue under section
9 403.19 for up to five years if necessary to adequately fund
10 the project. The portion of the urban renewal area which is
11 involved in a project under this section shall not be subject
12 to any subsequent division of revenue under section 403.19.

13 Sec. 24. NEW SECTION. 403.23 Audit — certificate of
14 compliance.

15 1. Each municipality that has established an urban renewal
16 area that utilizes, or plans to utilize, revenues from the
17 special fund created in section 403.19, shall make an annual
18 certification of compliance with this section. For any
19 year in which the municipality is audited in accordance with
20 section 11.6, such certification shall be audited as part
21 of the municipality's audit. For any year in which the
22 municipality is not audited in accordance with section 11.6,
23 the municipality shall contract with or employ the auditor
24 of state or a certified public accountant certified in the
25 state of Iowa to attest to the certification. However, the
26 certification shall be audited at least once every five years.

27 2. The certification required under this section shall
28 include such information or documentation deemed appropriate
29 by the auditor of state including but not limited to the
30 information required to be reported under section 331.403,
31 subsection 3, or section 384.22, subsection 2, as applicable.

32 3. The cost of an audit or attestation shall be paid by the
33 municipality from proper funds of the municipality.

34 4. The auditor of state shall adopt rules necessary to
35 implement this section.



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1 Sec. 25. Section 423B.1, subsection 6, paragraph c, Code
2 2011, is amended by striking the paragraph.

3 Sec. 26. Section 423B.7, subsection 1, Code 2011, is amended
4 to read as follows:

5 1. ~~a. Except as provided in paragraph "b", the~~ The director
6 shall credit the local sales and services tax receipts and
7 interest and penalties from a county-imposed tax to the
8 county's account in the local sales and services tax fund and
9 from a city-imposed tax under section 423B.1, subsection 2, to
10 the city's account in the local sales and services tax fund.
11 If the director is unable to determine from which county any of
12 the receipts were collected, those receipts shall be allocated
13 among the possible counties based on allocation rules adopted
14 by the director.

15 ~~b. Notwithstanding paragraph "a", the director shall~~
16 ~~credit the designated amount of the increase in local sales~~
17 ~~and services tax receipts, as computed in section 423B.10,~~
18 ~~collected in an urban renewal area of an eligible city that has~~
19 ~~adopted an ordinance pursuant to section 423B.10, subsection~~
20 ~~2, into a special city account in the local sales and services~~
21 ~~tax fund.~~

22 Sec. 27. Section 423B.7, subsection 6, Code 2011, is amended
23 by striking the subsection.

24 Sec. 28. REPEAL. Section 423B.10, Code 2011, is repealed.

25 Sec. 29. TAXES RECEIVED PRIOR TO EFFECTIVE DATE OF ACT. The
26 amount of the increased local sales and services taxes received
27 by a city as the result of an ordinance adopted prior to
28 the effective date of this Act under chapter 423B that have
29 been designated by a city by ordinance to fund urban renewal
30 projects pursuant to section 423B.10, as repealed in this
31 Act, shall be deposited in the city's special fund created in
32 section 403.19 and shall be used to fund urban renewal projects
33 located in an urban renewal area.

34 Sec. 30. IMPLEMENTATION OF ACT. Section 25B.2, subsection
35 3, shall not apply to this Act.



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1 Sec. 31. EFFECTIVE UPON ENACTMENT. This Act, being deemed
2 of immediate importance, takes effect upon enactment.

3 EXPLANATION

4 This bill relates to Iowa's urban renewal law and
5 incremental property taxes by modifying provisions relating
6 to the duration of urban renewal areas, modifying provisions
7 relating to the approval, duration, and use of divisions of
8 revenue, and requiring certain reporting and auditing.

9 The bill requires cities and counties that had an ordinance
10 providing for a division of revenue in an urban renewal area
11 under Code section 403.19 in effect at any time during the
12 most recently ended fiscal year to complete for each such
13 urban renewal area and file with the department of management
14 a tax increment financing report by December 1 following the
15 end of such fiscal year. Each report must be approved by the
16 affirmative vote of a majority of the board of supervisors or
17 the city council, as applicable, and be prepared in the format
18 and submitted electronically pursuant to the instructions
19 prescribed by the department of management in consultation with
20 the legislative services agency. Each report must include
21 the information and data specified in the bill as of June
22 30 of the most recently ended fiscal year or the information
23 for such fiscal year, as applicable. By December 1, 2012,
24 the department of management is required to make publicly
25 available on an internet site a searchable database of all
26 such information contained in the reports required under the
27 bill. The bill strikes the current penalty for counties
28 and cities for failing to file an annual financial report
29 and requires each county and city to file the required tax
30 increment financing report and the annual financial report with
31 the department of management each year prior to the adoption
32 of the applicable county or city budget for the next upcoming
33 fiscal year.

34 Under current Code section 357H.9, rural improvement zones
35 are authorized to provide by resolution for the division of

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1 revenue in the same manner as if the taxable property in the
2 rural improvement zone was taxable property in an urban renewal
3 area. The bill imposes similar reporting requirements on each
4 rural improvement zone that has provided for a division of
5 revenue in the rural improvement zone during the most recently
6 ended fiscal year. If a board of trustees fails to satisfy the
7 reporting requirements, the board of trustees will have all
8 future incremental taxes withheld from payment into the rural
9 improvement zone's special fund until such requirements are
10 met.

11 The bill amends Code section 403.5 to prohibit a
12 municipality from establishing an urban renewal area or
13 otherwise modifying the boundaries of an existing urban
14 renewal area on or after the effective date of the bill if such
15 establishment or modification would result in an increase in
16 the aggregate amount of assessed value of taxable property in
17 all urban renewal areas established by the municipality and
18 if following such establishment or modification the assessed
19 value in the aggregate of all taxable property located in
20 all urban renewal areas established in the municipality's
21 area of operation, as defined in Code section 403.17, would
22 exceed 25 percent of the total assessed value of all taxable
23 property within the corporate limits of the municipality if
24 the municipality is a city or exceed 25 percent of the total
25 assessed value of all taxable property outside the corporate
26 boundaries of a city if the municipality is a county.

27 Current Code section 403.5 provides that prior to its
28 approval of an urban renewal plan that provides for a division
29 of revenue, a municipality must mail the proposed plan by
30 regular mail to the affected taxing entities, as defined in
31 Code section 403.17 and as amended in the bill. Following such
32 mailing to the affected taxing entities, the municipality must
33 engage in a process of consultation with the affected taxing
34 entities and the representative of the municipality must,
35 not later than seven days prior to the public hearing on the



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1 urban renewal plan, submit a written response to the affected
2 taxing entities addressing the recommendations for modification
3 to the proposed division of revenue. The bill requires that
4 not later than 30 days following the receipt of the written
5 response addressing the recommendations for modification,
6 the governing body of each affected taxing entity shall by
7 resolution each approve by the affirmative vote of a majority
8 of the governing body a written recommendation for approval
9 or rejection of the proposed urban renewal area and state the
10 reasons for such recommendation. Under the bill, upon receipt
11 of the resolutions approved by each affected taxing entity, or
12 30 days following receipt of the written response addressing
13 the recommendations for modifications by the affected taxing
14 entities, whichever occurs first, the municipality may proceed
15 with the hearings on the proposed urban renewal plan.

16 The bill requires the municipality's local governing body
17 to hold three public hearings on a proposed urban renewal
18 plan, rather than one hearing as is required under current
19 law. The bill requires each notice of public hearing to,
20 in addition to other specified information required under
21 current law, describe the resolutions approved by each affected
22 taxing entity if the proposed urban renewal plan provides
23 for a division of revenue. The bill prohibits any of the
24 three hearings from being waived by the municipality's local
25 governing body. The bill provides that at each of the three
26 public hearings, the municipality shall make available to the
27 public all written information that the municipality's local
28 governing body anticipates using to determine its findings
29 and make a final decision on approval or denial of the urban
30 renewal plan. The bill also provides that if the proposed
31 urban renewal plan provides for a division of revenue, the
32 resolutions approved by each affected taxing entity, as
33 required in the bill, shall be published in their entirety in
34 the minutes of the third public hearing.

35 Current Code section 403.5 provides that an urban renewal

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1 plan may generally be modified at any time. The bill, however,
2 provides that once determined to be a blighted area, a slum
3 area, or an economic development area by a municipality,
4 an urban renewal area shall not be redetermined by the
5 municipality throughout the duration of the urban renewal area.

6 The bill provides that the municipality's local governing
7 body may approve an urban renewal plan if it finds, in addition
8 to those items required under current Code section 403.5, all
9 of the following: (1) The proposed or expected development
10 within the urban renewal area would not otherwise occur without
11 approval of the urban renewal plan and without the use of
12 incremental tax revenues if the urban renewal plan provides for
13 a division of revenue; (2) The economic benefits of the urban
14 renewal area, as measured by increased employment, business
15 and personal income, and property value, are sufficient to
16 compensate for the costs and indebtedness to be incurred by the
17 municipality; (3) If the proposed urban renewal plan provides
18 for a division of revenue, the benefits of the proposal
19 outweigh the anticipated reduction in property tax revenues to
20 each taxing district; and (4) Other alternative development
21 options and funding for the proposed urban renewal area would
22 be less effective than the proposed urban renewal plan and the
23 division of revenue if applicable.

24 The bill amends provisions of Code section 403.8 relating to
25 the sale, lease, or transfer of real property by a municipality
26 to specify that such transactions shall occur at not less than
27 fair market value for uses in accordance with the urban renewal
28 plan unless the developer enters into a written assessment
29 agreement with the municipality. Current Code section 403.8
30 provides that such transactions shall occur at not less than
31 "fair value". The bill makes corresponding changes to Code
32 chapter 403 to reflect this change to Code section 403.8.

33 The bill strikes community colleges from the definition of
34 "affected taxing entity" under Code section 403.17.

35 New Code section 403.18A provides that each municipality

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1 having an urban renewal area in existence on the effective
2 date of the bill that is subject to a division of revenue that
3 is not limited in duration under either Code section 403.17,
4 subsection 10 (20 years), or section 403.22, subsection 5 (10
5 years), shall be subject to one of the following limitations:
6 (1) For each such urban renewal area that is an economic
7 development area, the urban renewal area including all
8 applicable urban renewal plans, projects, and ordinances
9 providing for a division of revenue shall terminate and be
10 of no further force and effect not later than June 30, 2032.
11 The bill allows a municipality to, following the filing of an
12 application for a waiver with, and approval by, the department
13 of management, extend the date of termination for the urban
14 renewal area and all applicable urban renewal plans, projects,
15 and ordinances to a date after June 30, 2032. The application
16 for a waiver must be filed with the department of management
17 not later than June 30, 2013. The extended termination date
18 shall be determined by the department of management. However,
19 an extended termination date shall not be later than a date
20 determined by the department of management to be necessary
21 for the municipality to pay and retire those loans, advances,
22 bonds, or indebtedness, or portions thereof, incurred or issued
23 before the effective date of the bill that qualify for payment
24 from the special fund created in Code section 403.19, and by
25 the terms of such loans, advances, bonds, or indebtedness
26 are required to be paid or retired after June 30, 2032. If
27 the department of management approves a waiver, all moneys
28 deposited into the special fund of the municipality after June
29 30, 2032, shall be used solely for the purpose of retiring such
30 loans, advances, bonds, or indebtedness.
31 (2) For each such urban renewal area that is a slum area
32 or a blighted area or a combination of those areas, the urban
33 renewal area including all applicable urban renewal plans,
34 projects, and ordinances providing for a division of revenue
35 shall continue in effect under this Code chapter, until

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1 such time that the urban renewal area is dissolved by the
2 municipality or until the urban renewal area terminates under
3 the conditions of the bill. For fiscal years beginning on or
4 after July 1, 2017, when calculating a division of revenue
5 for such an urban renewal area, and for which the difference
6 between the year of the assessment roll as of January 1 used to
7 calculate the amount of taxes allocated to and when collected
8 paid into the funds for the respective taxing districts under
9 Code section 403.19(1), and the year of the assessment roll
10 used to calculate the total amount of property taxes under Code
11 section 403.19 for the fiscal year in which the taxes are due
12 and payable, first exceeds 15 years, the year of the assessment
13 roll as of January 1 that is otherwise required under Code
14 section 403.19(1) shall be adjusted by increasing the year
15 of the assessment roll by two assessment years. Under the
16 bill, such assessment roll so adjusted shall be increased in
17 each subsequent fiscal year by two assessment years until the
18 assessment roll as of January 1 used to calculate the amount of
19 taxes allocated to and when collected paid into the funds for
20 the respective taxing districts under Code section 403.19(1)
21 is later in time than the year of the assessment roll used
22 to calculate the total amount of property taxes under Code
23 section 403.19 for the fiscal year in which the taxes are due
24 and payable, at which time the urban renewal area including
25 all applicable urban renewal plans, projects, and ordinances
26 providing for a division of revenue shall terminate and be of
27 no further force and effect.

28 The bill provides that an ordinance providing for a division
29 of revenue under Code section 403.19 that is adopted on or
30 after the effective date of the bill shall not apply to wind
31 energy conversion property as defined in Code section 427B.26,
32 and property taxes levied against such wind energy conversion
33 property shall be allocated to and when collected paid into the
34 funds for the respective taxing districts in the same manner as
35 all other property taxes.

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1 The bill provides that except for certain divisions of
2 revenue authorized for certain housing and residential
3 development under Code section 403.22, an ordinance providing
4 for a division of revenue under Code section 403.19 that is
5 adopted on or after the effective date of the bill shall be
6 limited to 15 years from January 1 of the first assessment year
7 for which the total sum of the assessed value of the taxable
8 property in the urban renewal area is equal to or greater than
9 105 percent of the total sum of the assessed value of the
10 taxable property in the urban renewal area as shown on the
11 assessment roll used to calculate the amount of taxes under
12 Code section 403.19(1). Under the bill, the urban renewal
13 area, including all applicable urban renewal plans, projects,
14 and ordinances shall terminate and be of no further force and
15 effect following the 15-year period provided in the bill. A
16 municipality may, however, with the approval of the governing
17 bodies of all affected taxing entities prior to the date of
18 termination, extend the division of revenue and the applicable
19 urban renewal plans, projects, and ordinances for up to five
20 years if such extension is determined by the affected taxing
21 entities to be necessary to sufficiently fund an urban renewal
22 project within the urban renewal area.

23 The bill prohibits moneys from any source deposited into
24 the special fund created in Code section 403.19 from being
25 expended for or otherwise used in connection with an urban
26 renewal project approved on or after the effective date of
27 the bill that includes the relocation, as defined in the
28 bill, of a commercial or industrial enterprise not presently
29 located within the municipality, unless one of the following
30 occurs: (1) The local governing body of the municipality where
31 the commercial or industrial enterprise is currently located
32 and the local governing body of the municipality where the
33 commercial or industrial enterprise is proposing to relocate
34 enter into a written agreement approving such relocation and
35 approving those economic incentives provided to the commercial

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1 or industrial enterprise as a condition of the relocation, if
2 any; (2) The local governing body of the municipality where the
3 commercial or industrial enterprise is proposing to relocate
4 finds that the use of deposits into the special fund for an
5 urban renewal project that includes such a relocation is in
6 the public interest. The bill specifies such a finding must
7 include written verification from the commercial or industrial
8 enterprise that the enterprise is actively considering moving
9 all or a part of its operations to a location outside the state
10 and a specific finding that such an out-of-state move would
11 result in a significant reduction in either the enterprise's
12 total employment in the state or in the total amount of wages
13 earned by employees of the enterprise in the state.

14 The bill provides that except for certain low or moderate
15 income housing assistance authorized under Code section
16 403.22(4), moneys deposited into the special fund created in
17 this Code section that are taxes resulting from a division of
18 revenue or that are proceeds from loans, advances, or bonds
19 that qualify for payment from the special fund shall only
20 be expended from the fund for purposes related to the urban
21 renewal area from which the deposits were collected or the
22 urban renewal area from which property taxes resulting from
23 a division of revenue will be collected to pay such loans,
24 advances, or bonds, as applicable. The bill requires interest
25 or earnings received on amounts deposited into the special fund
26 created in Code section 403.19 to be credited to the special
27 fund and be used solely for the purposes specified in that Code
28 section.

29 The bill provides that moneys deposited into the special
30 fund that are taxes, including the interest or earnings on such
31 amounts, for the payment of costs and indebtedness incurred or
32 issued on or after the effective date of the bill, including
33 all loans, advances, and bonds that qualify for payment from
34 the special fund and deposits into the special fund that are
35 proceeds from such loans, advances, and bonds, shall not be

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1 used for any of the following unless approved by the governing
2 bodies of all affected taxing entities: (1) public buildings,
3 including but not limited to police stations, fire stations,
4 administration buildings, swimming pools, libraries, hospitals,
5 recreational facilities, city halls, or other public buildings
6 that are exempt from property taxation, including the site
7 or grounds of, and the erection, equipment, remodeling,
8 or reconstruction of, and additions or extensions to, such
9 buildings; (2) movable property or equipment; (3) buildings or
10 facilities leased or intended in the future to be leased by a
11 public body for any of the uses specified as a public building
12 in the bill; (4) salaries, benefits, per diems, or expenses
13 of any employee of the municipality; (5) the payment of any
14 indebtedness or cost related to such above-mentioned purposes.

15 Current Code section 403.22 provides that for urban renewal
16 areas established upon the determination that the area is an
17 economic development area, a division of revenue as provided in
18 Code section 403.19 is not allowed for the purpose of providing
19 or aiding in the provision of public improvements related to
20 housing and residential development, unless the municipality
21 assures that the project will include specified amounts of
22 assistance for low and moderate income family housing based on
23 the population of the municipality. The bill maintains those
24 assistance requirements for urban renewal areas established
25 before the effective date of the bill upon the determination
26 that the area is an economic development area.

27 Under the bill, Code section 403.22 provides that for urban
28 renewal areas established on or after the effective date of
29 the bill a division of revenue as provided in Code section
30 403.19 shall not be allowed for the purpose of providing or
31 aiding in the provision of public improvements related to
32 housing and residential development, unless the municipality
33 has a population of 10,000 or less, has completed a housing
34 needs assessment meeting the standards set out by the economic
35 development authority, and assures that the project will

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1 include specified amounts of assistance for low and moderate
2 income family housing according to certain population
3 thresholds.

4 New Code section 403.23 provides that a municipality
5 that has established an urban renewal area that utilizes, or
6 plans to utilize, revenues from the special fund created in
7 Code section 403.19, shall make an annual certification of
8 compliance. For any year in which the municipality is audited
9 in accordance with Code section 11.6, such certification shall
10 be audited as part of the municipality's audit. For any year
11 in which the municipality is not audited in accordance with
12 Code section 11.6, the municipality shall contract with or
13 employ the auditor of state or a certified public accountant
14 certified in the state of Iowa to attest to the certification.
15 The bill requires, however, that the certification be audited
16 at least once every five years. The bill requires the
17 certification to include such information or documentation
18 deemed appropriate by the auditor of state including but not
19 limited to the information required to be reported to the
20 department of management under new Code section 331.403,
21 subsection 3, or new Code section 384.22, subsection 2,
22 as applicable. The bill requires the cost of an audit or
23 attestation to be paid by the municipality from proper funds
24 of the municipality. The bill also authorizes the auditor of
25 state to adopt rules necessary to implement new Code section
26 403.23.

27 The bill repeals Code section 423B.10, which provides that
28 a city with a local sales and services tax imposed by the
29 county may designate an amount of the increased tax revenues
30 attributable to retail establishments in an urban renewal area
31 to fund urban renewal projects in the area. The bill provides
32 that the amount of the increased local sales and services taxes
33 received by a city as the result of an ordinance adopted prior
34 to the effective date of the bill under Code chapter 423B that
35 have been designated by a city by ordinance to fund urban

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1 renewal projects pursuant to Code section 423B.10, as repealed
2 in the bill, shall be deposited in the city's special fund
3 created in Code section 403.19 and shall be used to fund urban
4 renewal projects located in an urban renewal area.

5 The bill may include a state mandate as defined in Code
6 section 25B.3. The bill makes inapplicable Code section 25B.2,
7 subsection 3, which would relieve a political subdivision from
8 complying with a state mandate if funding for the cost of
9 the state mandate is not provided or specified. Therefore,
10 political subdivisions are required to comply with any state
11 mandate included in the bill.

12 The bill takes effect upon enactment.



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House Resolution 137 - Introduced

HOUSE RESOLUTION NO. 137

BY PETERSEN, THOMAS, and VANDER LINDEN

1 A Resolution recognizing April 2012 as Window Safety
2 Awareness Month for Iowa's children and families.

3 WHEREAS, spring is the season when Iowans begin to
4 open their windows; and

5 WHEREAS, insect screens are designed to keep bugs
6 out, not to withstand the weight of a child or an adult
7 or to prevent a fall from a window; and

8 WHEREAS, it is important for adults to supervise and
9 educate children to keep their play safely away from
10 windows and to help prevent accidental falls; and

11 WHEREAS, falls can be a cause of injuries to
12 children that can result in serious injuries or
13 death; and

14 WHEREAS, a number of children were injured in falls
15 from windows in the Des Moines area in 2011, with one
16 fall that resulted in a fatality; NOW THEREFORE,

17 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES,
18 That the House of Representatives recognizes the month
19 of April 2012 as Window Safety Awareness Month in
20 Iowa; and

21 BE IT FURTHER RESOLVED, That the House of
22 Representatives joins concerned members of the
23 community to promote window safety awareness and
24 education to help prevent window falls and their
25 devastating effects; and

26 BE IT FURTHER RESOLVED, That the House of
27 Representatives commends the Hannah Geneser Foundation,
28 Blank Children's Hospital, Iowa Health Systems, Safe

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H.R. 137

1 Kids of Iowa, the Iowa Department of Public Health,
2 Orchard Place, the Iowa Donor Network, the Iowa
3 Lions Eye Bank, My Angel Foundation, and Iowa window
4 manufacturing companies for their work protecting
5 Iowa's children from childhood injuries from potential
6 window falls in the home through a state window safety
7 outreach program called "Hannah's Hope".



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House File 561

S-5155

1 Amend House File 561, as amended, passed, and
2 reprinted by the House, as follows:

3 1. By striking everything after the enacting clause
4 and inserting:

5 <Section 1. Section 476.53, subsection 3, paragraph
6 a, subparagraph (1), unnumbered paragraph 1, Code 2011,
7 is amended to read as follows:

8 Files an application pursuant to section 476A.3 to
9 construct in Iowa a baseload electric power generating
10 facility with a nameplate generating capacity equal to
11 or greater than ~~three hundred~~ twenty-five megawatts or
12 a combined-cycle electric power generating facility,
13 or an alternate energy production facility as defined
14 in section 476.42, or to significantly alter an
15 existing generating facility. For purposes of this
16 subparagraph, a significant alteration of an existing
17 generating facility must, in order to qualify for
18 establishment of ratemaking principles, fall into one
19 of the following categories:>

20 2. Title page, by striking lines 1 and 2 and
21 inserting <An Act relating to ratemaking principles for
22 electric generating facilities.>

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House File 561

S-5156

- 1 Amend House File 561, as amended, passed, and
2 reprinted by the House, as follows:
3 1. Page 8, after line 26 by inserting:
4 <(f) Limit cost recovery commenced pursuant to
5 this section for costs incurred prior to completion of
6 construction of the nuclear generating facility and
7 commencement of operation to an amount not to exceed
8 fifty dollars per residential utility customer, and two
9 hundred dollars per commercial or industrial utility
10 customer.>
11 2. Page 11, after line 20 by inserting:
12 <6. A utility that files an application pursuant to
13 section 476A.3 to build a nuclear generating facility
14 or seeks authority pursuant to a combined construction
15 and operating license or an early site permit from
16 the United States nuclear regulatory commission
17 shall establish a voluntary fund to which utility
18 customers or other individuals may contribute for
19 costs associated with the construction of new nuclear
20 generating facilities.>

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House Amendment to
Senate File 2123

S-5157

1 Amend Senate File 2123, as passed by the Senate, as
2 follows:
3 1. Page 1, before line 1 by inserting:
4 <Section 1. Section 124.201, subsection 4, Code
5 2011, is amended to read as follows:
6 4. If any new substance is designated as a
7 controlled substance under federal law and notice of
8 the designation is given to the board, the board shall
9 similarly designate as controlled the new substance
10 under this chapter after the expiration of thirty days
11 from publication in the Federal Register of a final
12 order designating a new substance as a controlled
13 substance, unless within that thirty-day period the
14 board objects to the new designation. In that case
15 the board shall publish the reasons for objection
16 and afford all interested parties an opportunity
17 to be heard. At the conclusion of the hearing the
18 board shall announce its decision. Upon publication
19 of objection to a new substance being designated
20 as a controlled substance under this chapter by the
21 board, control under this chapter is stayed until
22 the board publishes its decision. If a substance
23 is designated as controlled by the board under this
24 ~~paragraph~~ subsection the control shall be temporary and
25 if within sixty days after the next regular session
26 of the general assembly convenes it has not made the
27 corresponding changes in this chapter, the temporary
28 designation of control of the substance by the board
29 shall be nullified.
30 Sec. _____. Section 124.204, subsection 4, paragraph
31 ai, Code Supplement 2011, is amended by striking the
32 paragraph and inserting in lieu thereof the following:
33 ai. (1) Salvia divinorum.
34 (2) Salvinorin A.
35 (3) HU-210. [(6aR,10aR)-9-(hydroxymethyl)-6,6-
36 dimethyl-3-(2-methyloctan-2-yl)
37 6a,7,10,10a-tetrahydrobenzo[c] chromen-1-ol]].
38 (4) HU-211(dexanabinol,
39 (6aS,10aS)-9-(hydroxymethyl)-6,6-
40 dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]
41 chromen-1-ol).
42 (5) Unless specifically exempted or unless
43 listed in another schedule, any material, compound,
44 mixture, or preparation which contains any quantity of
45 cannabimimetic agents, or which contains their salts,
46 isomers, and salts of isomers whenever the existence of
47 such salts, isomers, and salts of isomers is possible
48 within the specific chemical designation.
49 (a) The term "*cannabimimetic agents*" means any
50 substance that is a cannabinoid receptor type 1 (CB1

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1 receptor) agonist as demonstrated by binding studies
2 and functional assays within any of the following
3 structural classes:
4 (i) 2-(3-hydroxycyclohexyl)phenol with substitution
5 at the 5-position of the phenolic ring by alkyl or
6 alkenyl, whether or not substituted on the cyclohexyl
7 ring to any extent.
8 (ii) 3-(1-naphthoyl)indole or
9 3-(1-naphthylmethane)indole by substitution at the
10 nitrogen atom of the indole ring, whether or not
11 further substituted on the indole ring to any extent,
12 whether or not substituted on the naphthoyl or naphthyl
13 ring to any extent.
14 (iii) 3-(1-naphthoyl)pyrrole by substitution at
15 the nitrogen atom of the pyrrole ring, whether or not
16 further substituted in the pyrrole ring to any extent,
17 whether or not substituted on the naphthoyl ring to any
18 extent.
19 (iv) 1-(1-naphthylmethylene)indene by substitution
20 of the 3-position of the indene ring, whether or not
21 further substituted in the indene ring to any extent,
22 whether or not substituted on the naphthyl ring to any
23 extent.
24 (v) 3-phenylacetylindole or 3-benzoylindole by
25 substitution at the nitrogen atom of the indole ring,
26 whether or not further substituted in the indole ring
27 to any extent, whether or not substituted on the phenyl
28 ring to any extent.
29 (b) Such terms include:
30 (i) CP 47,497 and homologues
31 5-(1,1-dimethylheptyl)-
32 2-[(1R,3S)-3-hydroxycyclohexyl]phenol.
33 (ii) JWH-018 and AM678
34 1-Pentyl-3-(1-naphthoyl)indole.
35 (iii) JWH-073 1-Butyl-3-(1-naphthoyl)indole.
36 (iv) JWH-200
37 [1-[2-(4-morpholinyl)ethyl]-1H-indol-3-yl]-1-
38 naphthalenyl-methanone.
39 (v) JWH-19 1-hexyl-3-(1-naphthoyl)indole.
40 (vi) JWH-81
41 1-pentyl-3-[1-(4-methoxynaphthoyl)]indole.
42 (vii) JWH-122
43 1-pentyl-3-(4-methyl-1-naphthoyl)indole.
44 (viii) JWH-250 1-pentyl-3-
45 (2-methoxyphenylacetyl)indole.
46 (ix) RCS-4 and SR-19
47 1-pentyl-3-[(4-methoxy)-benzoyl]indole.
48 (x) RCS-8 and SR 18 1-cyclohexylethyl-3-
49 (2-methoxyphenylacetyl)indole.
50 (xi) AM2201

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1 1-(5-fluoropentyl)-3-(1-naphthoyl)indole.
2 (xii) JWH-203
3 1-pentyl-3-(2-chlorophenylacetyl)indole.
4 (xiii) JWH-398
5 1-pentyl-3-(4-chloro-1-naphthoyl)indole.
6 (xiv) AM694
7 1-(5-fluoropentyl)-3-(2-iodobenzoyl)indole.
8 (xv) Cannabicyclohexanol or CP-47,497 C8-homolog
9 5-(1,1-dimethyloctyl)-2-[(1R,3S)-3-hydroxycyclohexyl]-phenol.
10 (6) *Mitragyna speciosa*.
11 (7) Mitragynine.
12 Sec. _____. Section 124.204, subsection 6, Code
13 Supplement 2011, is amended by adding the following new
14 paragraph:
15 NEW PARAGRAPH. *i*. Any substance, compound,
16 mixture or preparation which contains any quantity
17 of any synthetic cathinone that is not approved as
18 a pharmaceutical, including but not limited to the
19 following:
20 (1) Mephedrone, also known as
21 4-methylmethcathinone, (RS)-2-
22 methylamino-1-(4-methylphenyl) propan-1-one.
23 (2) 3,4-methylenedioxypropylone
24 (MDPV)[(1-(1,3- Benzodioxol-5-yl)-2-(1-pyrrolidinyl)-
25 1-pentanone].
26 (3) Methylone, also known as
27 3,4-methylenedioxymethcathinone.
28 (4) Naphthylpyrovalerone (naphyrone).
29 (5) 4-fluoromethcathinone(flephedrone) or a
30 positional isomer of 4-fluoromethcathinone.
31 (6) 4-methoxymethcathinone (methedrone; Bk-PMMA).
32 (7) Ethcathinone.
33 (8) 3,4-methylenedioxyethcathinone(ethylone).
34 (9) Beta-keto-N-methyl-3,4-benzodioxolybutanamine
35 (butylone).
36 (10) N,N-dimethylcathinone(metamfepramone).
37 (11) Alpha-pyrrolidinopropiophenone (alpha-PPP).
38 (12) 4-methoxy-alpha-pyrrolidinopropiophenone
39 (MOPPP).
40 (13) 3,4-methylenedioxy-alpha-pyrrolidinopropiophenone
41 (MDPPP).
42 (14) Alpha-pyrrolidinovalerophenone (alpha-PVP).
43 (15) 6,7-dihydro-5H-indeno-
44 (5,6-d)-1,3-dioxol-6-amine) (MDAI).
45 (16) 3-fluoromethcathinone.
46 (17) 4'-Methyl-alpha-pyrrolidinobutiophenone
47 (MPBP).
48 (18) 2-(2,5-Dimethoxy-4-ethylphenyl)ethanamine
49 (2C-E).
50 (19) 2-(2,5-Dimethoxy-4-methylphenyl)ethanamine

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1 (2C-D).
2 (20) 2-(4-Chloro-2,5-dimethoxyphenyl)ethanamine
3 (2C-C).
4 (21) 2-(4-Iodo-2,5-dimethoxyphenyl)ethanamine
5 (2C-I).
6 (22) 2-[4-(Ethylthio)-2,5-dimethoxyphenyl]ethanamine
7 (2C-T-2).
8 (23) 2-[4-(Isopropylthio)-2,5-dimethoxyphenyl]ethanamine
9 (2C-T-4).
10 (24) 2-(2,5-Dimethoxyphenyl)ethanamine (2C-H).
11 (25) 2-(2,5-Dimethoxy-4-nitrophenyl)ethanamine
12 (2C-N).
13 (26) 2-(2,5-Dimethoxy-4-(n)-propylphenyl)ethanamine
14 (2C-P).>
15 2. Page 1, after line 23 by inserting:
16 <Sec. _____. Section 124.401, subsection 1, paragraph
17 d, Code Supplement 2011, is amended to read as follows:
18 d. Violation of this subsection, with respect
19 to any other controlled substances, counterfeit
20 substances, or simulated controlled substances
21 classified in section 124.204, subsection 4,
22 paragraph "ai", section 124.204, subsection 6,
23 paragraph "i", or classified in schedule IV or V is
24 an aggravated misdemeanor. However, violation of
25 this subsection involving fifty kilograms or less of
26 marijuana or involving flunitrazepam is a class "D"
27 felony.>
28 3. Page 1, after line 23 by inserting:
29 <Sec. _____. Section 124.401, subsection 4, Code
30 Supplement 2011, is amended by adding the following new
31 paragraphs:
32 NEW PARAGRAPH. o. Ammonium sulfate.
33 NEW PARAGRAPH. p. Ammonium nitrate.
34 NEW PARAGRAPH. q. Sodium hydroxide.>
35 4. Page 1, after line 26 by inserting:
36 <Sec. _____. EFFECTIVE UPON ENACTMENT. The following
37 provisions of this Act, being deemed of immediate
38 importance, take effect upon enactment:
39 1. The section of this Act amending section
40 124.201, subsection 4.
41 2. The section of this Act amending section
42 124.204, subsection 4, paragraph "ai".
43 3. The section of this Act amending section
44 124.204, subsection 6.
45 4. The section of this Act amending section
46 124.401, subsection 1, paragraph "d".>
47 5. Title page, line 1, after <schedules,> by
48 inserting <including possession of certain substances
49 relating to the manufacture of a controlled substance,>
50 6. Title page, line 2, by striking <applicable> and

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1 inserting <applicable, and including effective date
2 provisions>
3 7. By renumbering as necessary.



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House File 561

S-5158

- 1 Amend the amendment, S-5090, to House File 561,
2 as amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 1, by striking lines 29 through 35.
5 2. Page 2, after line 6 by inserting:
6 <_. Page 8, after line 26 by inserting:
7 <(f) Notwithstanding any other provision to the
8 contrary, cost recovery under the ratemaking principles
9 established in this section shall be limited to a
10 revenue increase applied in the same percentage amount
11 to each customer class and designed to recover, on
12 an annual basis, not more than five-tenths of one
13 percent of the electric utility's previous calendar
14 year revenues attributable to billed base rates in this
15 state.>>
16 3. By renumbering, redesignating, and correcting
17 internal references as necessary.

JOE BOLKCOM



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Senate File 2327 - Introduced

SENATE FILE 2327
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SF 2323)
(SUCCESSOR TO SF 2291)
(SUCCESSOR TO SSB 3095)

A BILL FOR

1 An Act providing for charitable food donations to food banks
2 and similar organizations, including by providing for a
3 tax credit and including effective date and applicability
4 provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 190B.1 Purpose.

2 The purpose of this chapter is to effectively and
3 efficiently utilize Iowa's abundant supplies of nutritional
4 food to relieve situations of emergency or distress experienced
5 by individuals or families in need who reside in this state,
6 including low-income individuals or families and unemployed
7 individuals or families.

8 Sec. 2. NEW SECTION. 190B.2 Definitions.

9 As used in this chapter, unless the context otherwise
10 requires:

11 1. "*Agricultural land*" means the same as defined in section
12 425A.2.

13 2. "*Department*" means the department of revenue.

14 3. "*Federal emergency food assistance program*" means the
15 federal emergency food assistance program, as provided in 7
16 C.F.R. pts. 250 and 251.

17 4. "*Food*" means a substance which is used in whole or in
18 part for human consumption in compliance with federal and state
19 standards or requirements including a donated food that meets
20 the requirements of the federal emergency food assistance
21 program.

22 5. "*Food commodity*" means any commodity that is derived
23 from an agricultural animal or crop, both as defined in section
24 717A.1, which was produced on agricultural land and which is
25 intended to be used as food.

26 6. "*Iowa emergency feeding organization*" means a public or
27 private nonprofit organization whose mission is compatible with
28 the purpose of this chapter as provided in section 190B.1 and
29 which includes an Iowa food bank or other organization that
30 operates at a congregate nutritional site or that provides
31 home-delivered meals in this state. An Iowa emergency feeding
32 organization includes but is not limited to a food pantry,
33 hunger relief center, or soup kitchen.

34 7. "*Iowa food bank*" means a private nonprofit organization
35 which meets all of the following requirements:

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1 *a.* It receives, holds, and directly or indirectly
2 distributes food principally to Iowa emergency feeding
3 organizations in a manner compatible with the purpose of this
4 chapter as provided in section 190B.1.

5 *b.* It is an organization described in section 501(c)(3)
6 of the Internal Revenue Code and exempt from taxation under
7 section 501(a) of the Internal Revenue Code.

8 *c.* It receives contributions that are deductible under
9 section 170 of the Internal Revenue Code.

10 8. *"Tax credit"* means the from farm to food donation tax
11 credit as established in this chapter.

12 Sec. 3. NEW SECTION. 190B.3 Department of revenue —
13 cooperation with other departments.

14 1. This chapter shall be administered by the department of
15 revenue.

16 2. The department shall adopt all rules necessary to
17 administer this chapter.

18 3. The department of agriculture and land stewardship, the
19 department of public health, the department of human services,
20 and the department of inspections and appeals shall cooperate
21 with the department of revenue to administer this chapter.

22 Sec. 4. NEW SECTION. 190B.4 From farm to food donation tax
23 credit.

24 The from farm to food donation tax credit is allowed against
25 the taxes imposed in chapter 422, divisions II and III, as
26 provided in this chapter.

27 Sec. 5. NEW SECTION. 190B.5 From farm to food donation tax
28 credit — eligibility.

29 In order to qualify for the from farm to food donation tax
30 credit, all of the following must apply:

31 1. The taxpayer must produce the donated food commodity.

32 2. The taxpayer must transfer title to the food commodity to
33 an Iowa food bank, or an Iowa emergency feeding organization,
34 recognized by the department. The taxpayer shall not receive
35 remuneration for the transfer.



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1 3. a. The food commodity must be intended for human
2 consumption in its raw or processed state.

3 b. The food commodity cannot be damaged or out-of-condition
4 and declared to be unfit for human consumption by a federal,
5 state, or local health official. A food commodity that meets
6 the requirements for donated foods pursuant to the federal
7 emergency food assistance program satisfies this requirement.

8 4. The taxpayer shall provide documentation supporting
9 the tax credit claim in a form and manner prescribed by the
10 department by rule.

11 Sec. 6. NEW SECTION. 190B.6 From farm to food donation
12 tax credit — claims filed by individuals who belong to business
13 entities.

14 An individual may claim a from farm to food donation
15 tax credit of a partnership, limited liability company,
16 S corporation, estate, or trust electing to have income
17 taxed directly to the individual. The amount claimed by the
18 individual shall be based upon the pro rata share of the
19 individual's earnings from the partnership, limited liability
20 company, S corporation, estate, or trust.

21 Sec. 7. NEW SECTION. 190B.7 From farm to food donation tax
22 credit — limits on claims.

23 The from farm to food donation tax credit is subject to all
24 of the following limitations:

25 1. The tax credit shall not exceed a qualifying amount for
26 the tax year that the tax credit is claimed. The qualifying
27 amount is the lesser of the following:

28 a. Ten percent of the value of the commodities donated
29 during the tax year for which the credit is claimed. The value
30 of the commodities shall be determined in the same manner as a
31 charitable contribution of food for federal tax purposes under
32 section 170(e)(3)(C) of the Internal Revenue Code.

33 b. Five thousand dollars.

34 2. The tax credit in excess of the taxpayer's liability
35 for the tax year is not refundable but may be credited to the

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1 tax liability for the following five years or until depleted,
2 whichever is earlier.

3 3. The amount of the contribution for which the tax credit
4 is claimed shall not be deductible in determining taxable
5 income for state tax purposes.

6 4. The tax credit shall not be carried back to a tax year
7 prior to the tax year in which the taxpayer claims the tax
8 credit.

9 Sec. 8. NEW SECTION. 422.11L From farm to food donation tax
10 credit.

11 The taxes imposed under this division, less the credits
12 allowed under section 422.12, shall be reduced by a from farm
13 to food donation tax credit as allowed under chapter 190B.

14 Sec. 9. Section 422.33, Code Supplement 2011, is amended by
15 adding the following new subsection:

16 NEW SUBSECTION. 29. The taxes imposed under this division
17 shall be reduced by a from farm to food donation tax credit as
18 allowed under chapter 190B.

19 Sec. 10. EFFECTIVE DATE. This Act takes effect January 1,
20 2013.

21 Sec. 11. APPLICABILITY. This Act applies to tax years
22 beginning on or after January 1, 2013.

23 EXPLANATION

24 PURPOSE. The stated purpose of this bill is to provide for
25 charitable food donations to food banks and other emergency
26 feeding organizations that relieve situations of emergency or
27 distress experienced by individuals or families in need who
28 reside in this state.

29 TAX CREDIT. The bill establishes a from farm to food
30 donation tax credit against individual or corporate income
31 taxes. The tax credit may be claimed by the taxpayer who
32 produces the food. The tax credit is administered by the
33 department of revenue. The bill provides that the taxpayer
34 may claim a tax credit for 10 percent of the value of
35 donated commodities up to \$5,000. The bill requires that

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1 the commodities be suitable for human consumption. The bill
2 provides that if the tax credit is claimed by the taxpayer
3 the amount of the contribution is not deductible for state
4 income tax purposes. The bill provides that the tax credit
5 is not refundable but allows a taxpayer to carry forward the
6 tax credit for up to five years. An individual may claim a
7 tax credit of a partnership, limited liability company, S
8 corporation, estate, or trust electing to have income taxed
9 directly to the individual.
10 EFFECTIVE AND APPLICABILITY DATES. The tax credit is
11 effective on January 1, 2013, and applies to tax years
12 beginning on or after that date.



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Senate File 2328 - Introduced

SENATE FILE 2328
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 3131)

A BILL FOR

1 An Act relating to the technical administration of the tax
2 and related laws by the department of revenue, including
3 the administration of income taxes, sales and use taxes,
4 franchise fees, notification of annexation or severance
5 by cities, and cigarette and tobacco taxes, and including
6 retroactive applicability provisions.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 DIVISION I

2 INCOME TAXES

3 Section 1. Section 2.48, subsection 3, paragraph a,
4 subparagraph (2), Code 2011, is amended to read as follows:

5 (2) The tax credits for increasing research activities
6 available under sections 15.335, ~~15A.9~~, 422.10, and 422.33.

7 Sec. 2. Section 15.119, subsection 2, paragraph c, Code
8 Supplement 2011, is amended by striking the paragraph.

9 Sec. 3. Section 15.293A, subsection 2, paragraph b,
10 subparagraph (6), Code Supplement 2011, is amended to read as
11 follows:

12 (6) A tax credit shall not be claimed by a transferee
13 under this section until a replacement tax credit certificate
14 identifying the transferee as the proper holder has been
15 issued. The transferee may use the amount of the tax credit
16 transferred against the taxes imposed in chapter 422, divisions
17 II, III, and V, and in chapter 432, and against the moneys and
18 credits tax imposed in section 533.329, for any tax year the
19 original transferor could have claimed the tax credit. Any
20 consideration received for the transfer of the tax credit shall
21 not be included as income under chapter 422, divisions II, III,
22 and V, ~~under chapter 432, or against the moneys and credits tax~~
23 ~~imposed in section 533.329.~~ Any consideration paid for the
24 transfer of the tax credit shall not be deducted from income
25 under chapter 422, divisions II, III, and V, ~~under chapter~~
26 ~~432, or against the moneys and credits tax imposed in section~~
27 ~~533.329.~~

28 Sec. 4. Section 15.329, subsection 3, Code Supplement 2011,
29 is amended by striking the subsection.

30 Sec. 5. Section 15.393, subsection 2, paragraph a,
31 subparagraph (3), Code Supplement 2011, is amended to read as
32 follows:

33 (3) After verifying the eligibility for a tax credit
34 under this paragraph "a", the economic development authority
35 shall issue a film, television, and video project promotion

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1 program tax credit certificate to be attached to the person's
2 tax return. The tax credit certificate shall contain the
3 taxpayer's name, address, tax identification number, the date
4 of project completion, the amount of credit, other information
5 required by the department of revenue, and a place for the name
6 and tax identification number of a transferee and the amount
7 of the tax credit being transferred. Tax credit certificates
8 issued under this paragraph "a" may be transferred to any person
9 or entity. Within ninety days of transfer, the transferee
10 shall submit the transferred tax credit certificate to the
11 department of revenue along with a statement containing the
12 transferee's name, tax identification number, and address,
13 and the denomination that each replacement tax credit
14 certificate is to carry and any other information required by
15 the department of revenue. Within thirty days of receiving
16 the transferred tax credit certificate and the transferee's
17 statement, the department of revenue shall issue one or more
18 replacement tax credit certificates to the transferee. Each
19 replacement tax credit certificate must contain the information
20 required for the original tax credit certificate and must have
21 the same expiration date that appeared in the transferred tax
22 credit certificate. Tax credit certificate amounts of less
23 than the minimum amount established by rule of the economic
24 development authority shall not be transferable. A tax credit
25 shall not be claimed by a transferee under this paragraph
26 "a" until a replacement tax credit certificate identifying
27 the transferee as the proper holder has been issued. The
28 transferee may use the amount of the tax credit transferred
29 against the taxes imposed in chapter 422, divisions II,
30 III, and V, and in chapter 432, and against the moneys and
31 credits tax imposed in section 533.329, for any tax year the
32 original transferor could have claimed the tax credit. Any
33 consideration received for the transfer of the tax credit shall
34 not be included as income under chapter 422, divisions II, III,
35 and V, ~~under chapter 432, or against the moneys and credits tax~~

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1 ~~imposed in section 533.329.~~ Any consideration paid for the
2 transfer of the tax credit shall not be deducted from income
3 under chapter 422, divisions II, III, and V, ~~under chapter~~
4 ~~432, or against the moneys and credits tax imposed in section~~
5 ~~533.329.~~

6 Sec. 6. Section 15.393, subsection 2, paragraph b,
7 subparagraph (2), Code Supplement 2011, is amended to read as
8 follows:

9 (2) After verifying the eligibility for a tax credit
10 under this paragraph "b", the economic development authority
11 shall issue a film, television, and video project promotion
12 program tax credit certificate to be attached to the person's
13 tax return. The tax credit certificate shall contain the
14 taxpayer's name, address, tax identification number, the date
15 of project completion, the amount of credit, other information
16 required by the department of revenue, and a place for the name
17 and tax identification number of a transferee and the amount
18 of the tax credit being transferred. Tax credit certificates
19 issued under this paragraph "b" may be transferred to any person
20 or entity. Within ninety days of transfer, the transferee
21 shall submit the transferred tax credit certificate to the
22 department of revenue along with a statement containing the
23 transferee's name, tax identification number, and address,
24 and the denomination that each replacement tax credit
25 certificate is to carry and any other information required by
26 the department of revenue. Within thirty days of receiving
27 the transferred tax credit certificate and the transferee's
28 statement, the department of revenue shall issue one or more
29 replacement tax credit certificates to the transferee. Each
30 replacement tax credit certificate must contain the information
31 required for the original tax credit certificate and must have
32 the same expiration date that appeared in the transferred tax
33 credit certificate. Tax credit certificate amounts of less
34 than the minimum amount established by rule of the economic
35 development authority shall not be transferable. A tax credit



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1 shall not be claimed by a transferee under this paragraph
2 "b" until a replacement tax credit certificate identifying
3 the transferee as the proper holder has been issued. The
4 transferee may use the amount of the tax credit transferred
5 against the taxes imposed in chapter 422, divisions II,
6 III, and V, and in chapter 432, and against the moneys and
7 credits tax imposed in section 533.329, for any tax year the
8 original transferor could have claimed the tax credit. Any
9 consideration received for the transfer of the tax credit shall
10 not be included as income under chapter 422, divisions II, III,
11 and V, ~~under chapter 432, or against the moneys and credits tax~~
12 ~~imposed in section 533.329.~~ Any consideration paid for the
13 transfer of the tax credit shall not be deducted from income
14 under chapter 422, divisions II, III, and V, ~~under chapter~~
15 ~~432, or against the moneys and credits tax imposed in section~~
16 ~~533.329.~~

17 Sec. 7. Section 422.7, subsection 9, Code Supplement 2011,
18 is amended to read as follows:

19 9. Subtract the amount of the alcohol ~~fuel~~ and cellulosic
20 biofuel fuels credit allowable for the tax year under section
21 40 of the Internal Revenue Code to the extent that the credit
22 increased federal adjusted gross income.

23 Sec. 8. Section 422.13, subsection 1, paragraph a, Code
24 2011, is amended to read as follows:

25 a. The individual has net income of more than nine thousand
26 dollars ~~or more~~ for the tax year from sources taxable under
27 this division.

28 Sec. 9. Section 422.28, Code 2011, is amended to read as
29 follows:

30 **422.28 Revision of tax.**

31 A taxpayer may appeal to the director for revision of
32 the tax, interest, or penalties assessed at any time within
33 sixty days from the date of the notice of the assessment of
34 tax, additional tax, interest, or penalties. The director
35 shall grant a hearing and if, upon the hearing, the director

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1 determines that the tax, interest, or penalties are excessive
2 or incorrect, the director shall revise them according to
3 the law and the facts and adjust the computation of the tax,
4 interest, or penalties accordingly. The director shall notify
5 the taxpayer by mail of the result of the hearing and shall
6 refund to the taxpayer the amount, if any, paid in excess of
7 the tax, interest, or penalties found by the director to be
8 due, with interest ~~after sixty days~~ accruing from the date of
9 first day of the second calendar month following the date of
10 payment by the taxpayer at the rate in effect under section
11 421.7 for each month or a fraction of a month.

12 Sec. 10. Section 422.33, subsection 5, paragraph f, Code
13 Supplement 2011, is amended by striking the paragraph.

14 Sec. 11. Section 422.33, subsection 12, paragraph b, Code
15 Supplement 2011, is amended to read as follows:

16 *b.* The taxes imposed under this division shall be reduced by
17 investment tax credits authorized pursuant to ~~sections~~ section
18 15.333, 15A.9, subsection 4, and section 15E.193B, subsection
19 6.

20 Sec. 12. Section 422.35, subsection 7, Code Supplement
21 2011, is amended to read as follows:

22 7. Subtract the amount of the alcohol ~~fuel~~ and cellulosic
23 biofuel fuels credit allowable for the tax year under section
24 40 of the Internal Revenue Code to the extent that the credit
25 increased federal taxable income.

26 Sec. 13. Section 422.36, subsection 4, Code 2011, is amended
27 to read as follows:

28 4. Foreign and domestic corporations shall file a copy of
29 their federal income tax return for the current tax year with
30 the return required by this section.

31 Sec. 14. Section 422.73, subsection 2, Code Supplement
32 2011, is amended by striking the subsection.

33 Sec. 15. Section 422.89, subsection 3, paragraph a,
34 unnumbered paragraph 1, Code Supplement 2011, is amended to
35 read as follows:

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1 An amount equal to ~~ninety~~ one hundred percent of the tax for
2 the taxable year computed by placing on an annualized basis the
3 taxable income:

4 Sec. 16. REPEAL. Section 15A.9, Code Supplement 2011, is
5 repealed.

6 Sec. 17. RETROACTIVE APPLICABILITY. The following
7 provision or provisions of this division of this Act apply
8 retroactively to January 1, 2012, for tax years beginning on
9 or after that date:

10 1. The section of this Act amending section 422.89.

11 DIVISION II

12 SALES TAXES

13 Sec. 18. Section 423.3, subsection 40, Code Supplement
14 2011, is amended to read as follows:

15 40. The sales price from the sale of automotive fluids
16 to a retailer to be used either in providing a service which
17 includes the installation or application of the fluids in
18 or on a motor vehicle, which service is subject to section
19 423.2, subsection 6, or to be installed in or applied to a
20 motor vehicle which the retailer intends to sell, which sale
21 is subject to section ~~423.26~~ 321.105A. For purposes of this
22 subsection, automotive fluids are all those which are refined,
23 manufactured, or otherwise processed and packaged for sale
24 prior to their installation in or application to a motor
25 vehicle. They include but are not limited to motor oil and
26 other lubricants, hydraulic fluids, brake fluid, transmission
27 fluid, sealants, undercoatings, antifreeze, and gasoline
28 additives.

29 Sec. 19. Section 423.3, Code Supplement 2011, is amended by
30 adding the following new subsection:

31 NEW SUBSECTION. 96. The sale price of fees charged for the
32 release of medical records as described in section 622.10.

33 Sec. 20. Section 423.36, subsection 3, paragraph a, Code
34 2011, is amended to read as follows:

35 a. The department shall grant and issue to each applicant

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1 a permit for each place of business in this state where sales
2 or use tax is collected. A permit is not assignable and is
3 valid only for the person in whose name it is issued and for the
4 transaction of business at the place designated or at a place
5 of relocation within the state same county if the ownership
6 remains the same.

7 Sec. 21. Section 423.57, Code 2011, is amended to read as
8 follows:

9 **423.57 Statutes applicable.**

10 The director shall administer this subchapter as it relates
11 to the taxes imposed in this chapter in the same manner and
12 subject to all the provisions of, and all of the powers,
13 duties, authority, and restrictions contained in sections
14 423.14, 423.15, 423.16, 423.17, 423.19, 423.20, 423.21, 423.22,
15 423.23, 423.24, 423.25, ~~423.28~~, 423.29, 423.31, 423.32, 423.33,
16 423.34, 423.34A, 423.35, 423.37, 423.38, 423.39, 423.40,
17 423.41, and 423.42, section 423.43, subsection 1, and sections
18 423.45, 423.46, and 423.47.

19 Sec. 22. Section 622.10, subsection 6, paragraph c, Code
20 Supplement 2011, is amended to read as follows:

21 c. Fees charged pursuant to this subsection are ~~not subject~~
22 ~~to a sales or use tax~~ exempt from the sales tax pursuant
23 to section 423.3, subsection 96. A provider providing the
24 records or images may require payment in advance if an itemized
25 statement demanding such is provided to the requesting party
26 within fifteen days of the request. Upon a timely request
27 for payment in advance, the time for providing the records or
28 images shall be extended until the greater of thirty days from
29 the date of the original request or ten days from the receipt
30 of payment.

31 Sec. 23. REPEAL. Section 423.28, Code 2011, is repealed.

32 DIVISION III

33 MISCELLANEOUS

34 Sec. 24. Section 364.2, subsection 4, paragraph f, Code
35 2011, is amended to read as follows:

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1 f. (1) A franchise fee assessed by a city may be based
2 upon a percentage of gross revenues generated from sales of the
3 franchisee within the city not to exceed five percent, without
4 regard to the city's cost of inspecting, supervising, and
5 otherwise regulating the franchise. Franchise fees collected
6 pursuant to an ordinance in effect on May 26, 2009, shall be
7 deposited in the city's general fund and such fees collected
8 in excess of the amounts necessary to inspect, supervise, and
9 otherwise regulate the franchise may be used by the city for
10 any other purpose authorized by law. Franchise fees collected
11 pursuant to an ordinance that is adopted or amended on or
12 after May 26, 2009, to increase the percentage rate at which
13 franchise fees are assessed shall be credited to the franchise
14 fee account within the city's general fund and used pursuant
15 to section 384.3A. If a city franchise fee is assessed to
16 customers of a franchise, the fee shall not be assessed to the
17 city as a customer. Before a city adopts or amends a franchise
18 fee rate ordinance or franchise ordinance to increase the
19 percentage rate at which franchise fees are assessed, a revenue
20 purpose statement shall be prepared specifying the purpose or
21 purposes for which the revenue collected from the increased
22 rate will be expended. If property tax relief is listed as
23 a purpose, the revenue purpose statement shall also include
24 information regarding the amount of the property tax relief to
25 be provided with revenue collected from the increased rate.
26 The revenue purpose statement shall be published as provided
27 in section 362.3.

28 (2) If a city adopts, amends, or repeals an ordinance
29 imposing a franchise fee, the city shall promptly notify the
30 director of revenue of such action.

31 Sec. 25. Section 368.24, Code 2011, is amended to read as
32 follows:

33 **368.24 Notification to public utilities and to the department**
34 **of revenue.**

35 Notwithstanding any other provision of law to the contrary,

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1 any city that annexes territory or any city from which
2 territory is severed shall provide written notification
3 consisting of a legal description and map of the annexed or
4 severed territory, each street address within the annexed
5 or severed area, where possible, a statement containing the
6 effective date of the annexation or severance and a copy of
7 the order, resolution, or ordinance proclaiming the annexation
8 or severance to all public utilities operating in the annexed
9 or severed area and to the department of revenue. If the
10 notification of ~~the an~~ annexation is provided to a public
11 utility less than sixty days prior to the effective date of the
12 annexation, the public utility shall have sixty days from the
13 date of notification to adjust its tax and accounting records
14 to reflect the annexation for any tax purpose.

15 DIVISION IV

16 CIGARETTE AND TOBACCO TAXES

17 Sec. 26. Section 453A.1, subsections 4 and 14, Code 2011,
18 are amended to read as follows:

19 4. *"Cigarette vending machine"* means any self-service device
20 offered for public use which, upon ~~insertion of a coin, coins,~~
21 ~~paper currency, or by other means~~ payment or insertion of
22 loose tobacco product, dispenses, or assembles and dispenses,
23 cigarettes or tobacco products ~~without the necessity of~~
24 ~~replenishing the device between each vending operation.~~

25 14. *"Individual packages of cigarettes"* shall mean and
26 include every package of cigarettes or quantity of cigarettes
27 assembled and ordinarily sold at retail.

28 Sec. 27. Section 453A.6, subsection 7, Code 2011, is amended
29 to read as follows:

30 7. Cigarettes shall be sold or dispensed only in packages or
31 quantities of twenty or more cigarettes.

32 8. Any permit holder owning, renting, leasing, or otherwise
33 operating a cigarette vending machine into which loose tobacco
34 products are inserted and from which assembled cigarettes are
35 dispensed shall do all the following:

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- 1 a. Pay directly to the department, in lieu of the tax under
2 subsection 1, a tax equal to three and six hundredths cents on
3 each cigarette dispensed from such machine.
4 b. Allow to be inserted into such machine only loose tobacco
5 products whose manufacturer and brand family are then currently
6 listed on the directory maintained by the director under
7 chapter 453D.
8 c. On or after January 1, 2014, allow to be dispensed from
9 such machine only cigarettes which are in compliance with the
10 requirements of chapter 101B.
11 d. Maintain in good working order on such machine a secure
12 meter that counts the number of cigarettes dispensed by the
13 machine, which meter cannot be accessed except for the sole
14 purpose of taking meter readings, and cannot be reset or
15 otherwise altered by the permit holder.
16 Sec. 28. 2005 Iowa Acts, chapter 77, section 1, unnumbered
17 paragraph 4, is amended to read as follows:
18 The committee shall annually report to the general assembly
19 by January 1 of each year through January 1, ~~2013~~ 2016.

20 EXPLANATION

21 This bill relates to the technical administration of the tax
22 and related laws by the department of revenue.

23 Division I of the bill relates to income taxes.

24 The division repeals Code section 15A.9, the quality jobs
25 enterprise zone program. The program, commonly known as the
26 enterprise zone program, is currently administered pursuant to
27 Code sections 15E.191 through 15E.197, and the last contract
28 issued under the quality jobs enterprise zone program is now
29 expired, making Code section 15A.9 no longer necessary. The
30 bill makes changes to Code sections 2.48, 15.119, 15.329, and
31 422.33 in conformance with the repeal of Code section 15A.9.

32 The division amends Code sections 15.293A and 15.393 to
33 eliminate certain income-related references to the insurance
34 premium tax and moneys and credits tax which are not imposed
35 on an income basis. The amended Code sections relate to

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1 the tax credits available for brownfield redevelopment, film
2 expenditures, and film investment.

3 The division amends Code sections 422.7 and 422.35 to update
4 the name of the individual and corporate tax credits for the
5 production of alcohol and biofuels to be the same as the name
6 of the credit available in section 40 of the federal Internal
7 Revenue Code.

8 The division amends Code section 422.13 to correct the
9 filing requirement for an Iowa individual income tax return so
10 that it is consistent with Code section 422.5.

11 The division amends Code section 422.28 to provide that
12 interest on a refund of the individual or corporate income tax,
13 or the franchise tax, begins to accrue from the first day of
14 the second month following the date of payment. By operation
15 of Code sections 428A.8 and 453B.14, this change also applies
16 to the real estate transfer tax and the excise tax on unlawful
17 dealing in certain substances.

18 The division amends Code section 422.36 to provide that
19 domestic corporations must provide a copy of their federal
20 income tax return when filing their Iowa corporation income tax
21 return.

22 The division strikes Code section 422.73, subsection 2,
23 which is an obsolete provision relating to refunds claimed on
24 or before June 30, 1999, because of provisions in the federal
25 Taxpayer Relief Act of 1997.

26 In 2009, certain provisions were amended to increase the
27 standard for the exception to the underpayment of estimated
28 tax penalty for Iowa corporation income tax for annualization
29 of income from 90 percent of the tax liability to 100 percent
30 of the tax liability. Code section 422.89, which contains a
31 similar provision, was not amended at that time. The bill
32 amends Code section 422.89 to reflect the substance of the
33 changes made in 2009. This provision of the bill applies
34 retroactively to January 1, 2012, for tax years beginning on
35 or after that date.



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1 Division II of the bill relates to sales taxes.

2 The division amends Code section 423.3, relating to sales
3 and use tax exemptions, to correct an internal reference
4 relating to the sale of a motor vehicle and the fee for a new
5 vehicle registration.

6 The division also amends Code section 423.3 to add the sales
7 tax exemption for fees charged for the release of medical
8 records, which is currently provided for in Code section
9 622.10.

10 Under current law, Code section 423.28 requires motor
11 vehicle dealers to file reports related to the payment of sales
12 tax for the sale of motor vehicles. Because such sales are now
13 subject to the fee for new vehicle registration, such reports
14 are no longer required, and the division repeals Code section
15 423.28 and makes a conforming amendment to Code section 423.57.

16 The division amends Code section 423.36 to provide that a
17 new sales tax permit must be obtained if a place of business is
18 relocated from one county to another rather than from within
19 the state. Without updated sales tax permit information, the
20 distribution of local option sales tax revenue may be impacted.

21 Division III of the bill contains miscellaneous changes.

22 The division amends Code section 364.2, relating to
23 franchise fees imposed by cities, to require a city to notify
24 the department whenever an ordinance imposing a franchise fee
25 is adopted, amended, or repealed. Because the imposition of
26 a franchise fee requires utilities to stop collecting the
27 local option sales and services tax and instead collect the
28 franchise fee, the adoption, amendment, or repeal of such a fee
29 impacts the department's distribution of local option sales and
30 services tax revenue to local governments.

31 The division amends Code section 368.24 to require cities
32 that annex or sever territory to also notify the department of
33 revenue, in addition to notifying public utilities, in order to
34 facilitate the department's distribution of local option sales
35 and service tax revenue to local governments.

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1 Division IV of the bill relates to cigarette and tobacco
2 taxes.

3 The division amends the definitions in Code section
4 453A.1 for "cigarette vending machine" to include a machine
5 that assembles and dispenses cigarettes after payment or
6 the insertion of loose tobacco product, and for "individual
7 packages of cigarettes" to include a quantity of cigarettes
8 assembled and ordinarily sold at retail.

9 The division amends Code section 453A.6 to provide that
10 cigarettes shall only be dispensed in quantities of 20 or
11 more, and to provide that any permit holder owning, renting,
12 leasing, or otherwise operating a cigarette vending machine
13 into which loose tobacco products are inserted and from which
14 assembled cigarettes are dispensed shall pay a tax of \$.0306
15 per dispensed cigarette, shall only allow loose tobacco
16 products listed under chapter 453D to be inserted into the
17 machine, shall only allow cigarettes in compliance with chapter
18 453D to be dispensed from the machine at any time on or after
19 January 1, 2014, and shall maintain in good working order a
20 secure meter that counts the number of cigarettes dispensed and
21 that cannot be accessed except to take meter readings or to be
22 reset.

23 The division also extends by three years the statewide
24 industrial processing exemption committee which was originally
25 created in 2005 to study and make recommendations on several
26 different sales and use tax exemptions for industrial
27 producers.



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Senate File 2329 - Introduced

SENATE FILE 2329
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2168)
(SUCCESSOR TO SF 2110)

A BILL FOR

1 An Act relating to the rebate of state sales tax to the owner or
2 operator of a baseball and softball tournament facility and
3 movie site.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. FINDINGS. The general assembly finds that a
2 baseball and softball tournament facility and movie site in
3 Iowa would result in a substantial economic benefit to the
4 state and would offer thousands of competitors and visitors the
5 opportunity to experience and discover Iowa.

6 The general assembly further finds that the development
7 of the baseball and softball tournament facility and movie
8 site, including a year-round training facility, would enhance
9 the economic development of the area through an increase in
10 tourism.

11 The general assembly further finds that the rebate of state
12 sales tax collected at the baseball and softball tournament
13 facility and movie site to assist in the development of such
14 facility and complex would further tourism and is a public
15 purpose for which state funds may be used.

16 The general assembly further finds that the rebate of state
17 sales tax to the baseball and softball tournament facility and
18 movie site should be considered a program to be used as a means
19 to increase tourism into the state.

20 Sec. 2. Section 423.2, subsection 11, Code Supplement 2011,
21 is amended to read as follows:

22 11. a. (1) All revenues arising under the operation of the
23 provisions of this section shall be deposited into the general
24 fund of the state.

25 (2) Subsequent to the deposit into the general fund of
26 the state, the director shall credit an amount equal to the
27 product of the sales tax rate imposed in this section times
28 the sales price of the tangible personal property or services
29 furnished to purchasers at a baseball and softball tournament
30 facility and movie site meeting the qualifications of section
31 423.4, subsection 10, into the baseball and softball tournament
32 facility and movie site sales tax rebate fund created under
33 section 423.4, subsection 10, paragraph "e". The director
34 shall credit the moneys beginning the first day of the quarter
35 following the effective date of this Act. This subparagraph is

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1 repealed June 30, 2024, or thirty days following the date on
2 which sixteen million five hundred thousand dollars in total
3 rebates have been provided under section 423.4, subsection
4 10, or thirty days following the date on which rebates cease
5 as provided in section 423.4, subsection 10, paragraph "c",
6 subparagraph (4), whichever is earliest.

7 *b.* Subsequent to the deposit into the general fund of the
8 state and after the transfer of such pursuant to paragraph "a",
9 the department shall do the following in the order prescribed:

10 (1) Transfer the revenues collected under chapter 423B, the
11 department shall transfer.

12 (2) Transfer from the remaining revenues the amounts
13 required under Article VII, section 10, of the Constitution
14 of the State of Iowa to the natural resources and outdoor
15 recreation trust fund created in section 461.31, if applicable.

16 (3) Transfer one-sixth of such the remaining revenues to the
17 secure an advanced vision for education fund created in section
18 423F.2. This paragraph subparagraph (3) is repealed December
19 31, 2029.

20 (4) Transfer to the baseball and softball tournament
21 facility and movie site sales tax rebate fund that portion of
22 the sales tax receipts described in paragraph "a", subparagraph
23 (2), remaining after the transfers required under subparagraphs
24 (1), (2), and (3) of this paragraph "b". This subparagraph is
25 repealed June 30, 2024, or thirty days following the date on
26 which sixteen million five hundred thousand dollars in total
27 rebates have been provided under section 423.4, subsection
28 10, or thirty days following the date on which rebates cease
29 as provided in section 423.4, subsection 10, paragraph "c",
30 subparagraph (4), whichever is earliest.

31 Sec. 3. Section 423.4, Code Supplement 2011, is amended by
32 adding the following new subsection:

33 NEW SUBSECTION. 10. a. For purposes of this subsection:

34 (1) "Baseball and softball tournament facility and movie
35 site" means a baseball and softball tournament complex and



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1 tourist destination, which facility is located on a maximum of
2 two hundred seventy-nine acres, located inside or within three
3 miles of the city limits of a city with a population of at least
4 four thousand but not more than five thousand five hundred
5 residents, which city is located in a county with a population
6 of at least ninety-three thousand but not more than one hundred
7 thousand residents and where the construction on the baseball
8 and softball tournament facility commenced not later than one
9 year following the enactment of this Act, and the cost of the
10 construction upon completion was at least thirty-eight million
11 dollars.

12 (2) *"Change of control"* means any of the following:

13 (a) Any change in the ownership of the original or any
14 subsequent legal entity that is the owner or operator of the
15 baseball and softball tournament facility and movie site such
16 that more than fifty-one percent of the equity interests in the
17 legal entity cease to be owned by individuals who are residents
18 of Iowa, an Iowa corporation, or combination of both.

19 (b) The original owners of the legal entity that is the
20 owner or operator of the baseball and softball tournament
21 facility and movie site shall collectively cease to own more
22 than fifty percent of the voting equity interests of such legal
23 entity or shall otherwise cease to have effective control of
24 such legal entity.

25 (3) *"Iowa corporation"* means a corporation incorporated
26 under the laws of Iowa where more than fifty-one percent of the
27 corporation's equity interests are owned by individuals who are
28 residents of Iowa.

29 (4) *"Owner or operator"* means a for-profit legal entity
30 where more than fifty-one percent of its equity interests
31 are owned by individuals who are residents of Iowa, an Iowa
32 corporation, or combination of both and that is the owner or
33 operator of a baseball and softball tournament facility and
34 movie site and is primarily a promoter of baseball and softball
35 tournaments.



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1 (5) "*Population*" means the population based upon the 2010
2 certified federal census.
3 **b.** The owner or operator of a baseball and softball
4 tournament facility and movie site may apply to the department
5 for a rebate of sales tax imposed and collected by retailers
6 upon sales of any goods, wares, merchandise, admission tickets,
7 or services furnished to purchasers at the baseball and
8 softball tournament facility and movie site.
9 **c.** The rebate may be obtained only in the following amounts
10 and manner and only under the following conditions:
11 (1) On forms furnished by the department within the time
12 period provided by the department by rule, which time period
13 shall not be longer than quarterly.
14 (2) The owner or operator shall provide information as
15 deemed necessary by the department.
16 (3) The transactions for which sales tax was collected and
17 the rebate is sought occurred on or after January 1, 2014,
18 but before January 1, 2024. However, not more than sixteen
19 million five hundred thousand dollars in total rebates shall be
20 provided pursuant to this subsection.
21 (4) Notwithstanding subparagraph (3), the rebate of sales
22 tax shall cease for transactions occurring on or after the
23 date of the change of control of the baseball and softball
24 tournament facility and movie site.
25 **d.** To assist the department in determining the amount
26 of the rebate, the owner or operator shall identify to the
27 department retailers located at the baseball and softball
28 tournament facility and movie site who will be collecting sales
29 tax. The department shall verify such identity and ensure
30 that all proper permits have been issued. For purposes of
31 this subsection, advance ticket and admissions sales shall be
32 considered occurring at the baseball and softball tournament
33 facility and movie site regardless of where the transactions
34 actually occur.
35 **e.** There is established within the state treasury under the



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1 control of the department a baseball and softball tournament
2 facility and movie site sales tax rebate fund consisting of
3 the amount of state sales tax revenues transferred pursuant
4 to section 423.2, subsection 11, paragraph "b", subparagraph
5 (4). An account is created within the fund for each baseball
6 and softball tournament facility and movie site meeting the
7 qualifications of this subsection. Moneys in the fund shall
8 only be used to provide rebates of state sales tax pursuant
9 to this subsection, and only the state sales tax revenues in
10 the baseball and softball tournament facility and movie site
11 rebate fund are subject to rebate under this subsection. Not
12 more than sixteen million five hundred thousand dollars in
13 total rebates shall be paid from the fund. Any moneys in the
14 fund which represent state sales tax revenue for which the time
15 period in paragraph "c" for receiving a rebate has expired,
16 or which otherwise represent state sales tax revenue that has
17 become ineligible for rebate pursuant to this subsection, shall
18 immediately revert to the general fund of this state.

19 f. Upon determining that the conditions and requirements
20 of this subsection and the department are met, the department
21 shall issue a warrant from the applicable account within the
22 baseball and softball tournament facility and movie site rebate
23 fund to the owner or operator in the amount equal to the amount
24 claimed and verified by the department.

25 g. This subsection is repealed June 30, 2024, or thirty
26 days following the date on which sixteen million five hundred
27 thousand dollars in total rebates have been provided, or thirty
28 days following the date on which rebates cease as provided in
29 paragraph "c", subparagraph (4), whichever is the earliest.

30 EXPLANATION

31 This bill authorizes the department of revenue to rebate
32 sales tax collected by retailers on purchases made at a
33 baseball and softball tournament facility and movie site. To
34 be eligible for the rebate the baseball and softball tournament
35 facility and movie site must be located on a maximum of 279

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1 acres and located inside or within three miles of the city
2 limits of a city with a population between 4,000 and 5,500,
3 which is located in a county with a population between 93,000
4 and 100,000. In addition, construction on the facility must
5 commence not later than one year following the enactment of the
6 bill, and the cost of the construction must be at least \$38
7 million.

8 The person eligible to receive the rebate is the owner or
9 operator of the baseball and softball tournament facility and
10 movie site. The rebate of sales tax only applies to the sales
11 tax collected on transactions occurring on or after January 1,
12 2014, and before January 1, 2024, and shall only be paid from
13 the baseball and softball tournament facility and movie site
14 sales tax rebate fund created in the bill.

15 The bill creates the baseball and softball tournament
16 facility and movie site sales tax rebate fund consisting of
17 the remaining amount of state sales tax revenue collected upon
18 tangible personal property or services furnished to purchasers
19 at the baseball and softball tournament facility and movie
20 site after subtracting the local option sales tax under Code
21 chapter 423B, the natural resources and outdoor recreation
22 trust fund transfer pursuant to Article VII, section 10, of the
23 Constitution of the State of Iowa if applicable, and the secure
24 an advanced vision for education fund transfer pursuant to Code
25 section 423F.2. Rebates are paid only from this rebate fund
26 and are limited to the amounts in the fund. The total amount
27 that may be rebated from the fund and under the bill is \$16.5
28 million.

29 The rebate ceases if control of the facility changes. The
30 rebate provision is repealed June 30, 2024, or 30 days after a
31 total of \$16.5 million has been rebated, or 30 days following
32 the change of control causing the rebates to cease, whichever
33 occurs earlier.



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Senate File 2330 - Introduced

SENATE FILE 2330
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2309)
(SUCCESSOR TO SSB 3178)

A BILL FOR

1 An Act relating to retailers maintaining a place of business
2 in this state for purposes of the collection of sales and
3 use taxes, agreements relating to the collection of sales
4 and use taxes in the state, and sales of tangible personal
5 property and services to the state.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 423.1, subsection 47, Code Supplement
2 2011, is amended to read as follows:
3 47. "Retailer" means and includes every person engaged in
4 the business of selling tangible personal property or taxable
5 services at retail, or the furnishing of gas, electricity,
6 water, or communication service, and tickets or admissions
7 to places of amusement and athletic events or operating
8 amusement devices or other forms of commercial amusement from
9 which revenues are derived and includes but is not limited to
10 every retailer maintaining a place of business in this state.
11 However, when in the opinion of the director it is necessary
12 for the efficient administration of this chapter to regard
13 any salespersons, representatives, truckers, peddlers, or
14 canvassers as agents of the dealers, distributors, supervisors,
15 employers, or persons under whom they operate or from whom they
16 obtain tangible personal property sold by them irrespective of
17 whether or not they are making sales on their own behalf or on
18 behalf of such dealers, distributors, supervisors, employers,
19 or persons, the director may so regard them, and may regard
20 such dealers, distributors, supervisors, employers, or persons
21 as retailers for the purposes of this chapter. "Retailer"
22 includes a seller obligated to collect sales or use tax.
23 Sec. 2. Section 423.1, subsection 48, Code Supplement 2011,
24 is amended to read as follows:
25 48. a. "Retailer maintaining a place of business in this
26 state" or any like term includes any retailer having or
27 maintaining within this state, directly or by a subsidiary,
28 an office, distribution house, sales house, warehouse, or
29 other place of business, or any representative operating
30 within this state under the authority of the retailer or its
31 subsidiary, irrespective of whether that place of business or
32 representative is located here permanently or temporarily, or
33 whether the retailer or subsidiary is admitted to do business
34 within this state pursuant to chapter 490.
35 b. (1) A retailer shall be presumed to be maintaining a

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1 place of business in this state, as defined in paragraph "a", if
2 any person that has substantial nexus in this state, other than
3 a person acting in its capacity as a common carrier, does any
4 of the following:

5 (a) Sells a similar line of products as the retailer and
6 does so under the same or similar business name.

7 (b) Maintains an office, distribution facility, warehouse,
8 storage place, or similar place of business in this state to
9 facilitate the delivery of property or services sold by the
10 retailer to the retailer's customers.

11 (c) Uses trademarks, service marks, or trade names in this
12 state that are the same or substantially similar to those used
13 by the retailer.

14 (d) Delivers, installs, assembles, or performs maintenance
15 services for the retailer's customers.

16 (e) Facilitates the retailer's delivery of property to
17 customers in this state by allowing the retailer's customers to
18 take delivery of property sold by the retailer at an office,
19 distribution facility, warehouse, storage place, or similar
20 place of business maintained by the person in this state.

21 (f) Conducts any other activities in this state that
22 are significantly associated with the retailer's ability
23 to establish and maintain a market in this state for the
24 retailer's sales.

25 (2) The presumption established in this paragraph may be
26 rebutted by a showing of proof that the person's activities in
27 this state are not significantly associated with the retailer's
28 ability to establish or maintain a market in this state for the
29 retailer's sales.

30 **Sec. 3. NEW SECTION. 423.13A Administration —**
31 **effectiveness of agreements with retailers.**

32 1. Notwithstanding any provision of this chapter to the
33 contrary, any ruling, agreement, or contract, whether written
34 or oral, express or implied, entered into after the effective
35 date of this Act between a retailer and a state agency which



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1 provides that a retailer is not required to collect sales and
2 use tax in this state despite the presence in this state of
3 a warehouse, distribution center, or fulfillment center that
4 is owned and operated by the retailer or an affiliate of the
5 retailer shall be null and void unless such ruling, agreement,
6 or contract is approved by a majority vote of both houses of
7 the general assembly.

8 2. For purposes of this section, "*state agency*" means
9 the executive branch, including any executive department,
10 commission, board, institution, division, bureau, office,
11 agency, or other entity of state government. "*State agency*"
12 does not mean the general assembly, or the judicial branch as
13 provided in section 602.1102.

14 Sec. 4. Section 423.36, Code 2011, is amended by adding the
15 following new subsection:

16 NEW SUBSECTION. 1A. a. Notwithstanding subsection 1,
17 if any person will make taxable sales of tangible personal
18 property or furnish services to any state agency, that person
19 shall, prior to the sale, apply for and receive a permit
20 to collect sales or use tax pursuant to this section. A
21 state agency shall not purchase tangible personal property
22 or services from any person unless that person has a valid,
23 unexpired permit issued pursuant to this section and is in
24 compliance with all other requirements in this chapter imposed
25 upon retailers, including but not limited to the requirement to
26 collect and remit sales and use tax and file sales tax returns.

27 b. For purposes of this subsection, "*state agency*" means
28 any executive, judicial, or legislative department, commission,
29 board, institution, division, bureau, office, agency, or other
30 entity of state government.

31 EXPLANATION

32 This bill relates to the collection of sales and use taxes
33 by retailers maintaining a place of business in this state,
34 agreements relating to the collection of sales and use taxes,
35 and sales of tangible personal property and services to state

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1 agencies.

2 A retailer located in this state, or maintaining a place of
3 business in this state, must collect and remit sales and use
4 taxes to the department of revenue. Currently, as defined in
5 Code section 423.1, the term "retailer maintaining a place of
6 business in this state" includes certain places of business,
7 and representatives operating under the authority of the
8 retailer.

9 The bill provides that a retailer will be presumed to be
10 maintaining a place of business in this state if any person
11 that has substantial nexus in this state, other than a common
12 carrier, engages in any of six activities specified in the
13 bill. The presumption may be rebutted by a showing of proof
14 that the person's activities are not significantly associated
15 with the retailer's ability to establish or maintain a market
16 in this state for the retailer's sales.

17 The bill amends the definition of "retailer" in Code section
18 423.1 to specify that it includes a retailer maintaining a
19 place of business in this state.

20 The bill provides that any ruling, agreement, or contract
21 entered into after the effective date of the bill between a
22 retailer and a state agency which provides that a retailer is
23 not required to collect sales and use tax in this state despite
24 the presence in this state of a warehouse, distribution center,
25 or fulfillment center owned and operated by the retailer or
26 an affiliate shall be null and void unless it is specifically
27 approved by a majority vote of both houses of the general
28 assembly. For purposes of this provision of the bill, "state
29 agency" does not include the general assembly or the judicial
30 branch.

31 The bill provides that no person shall make taxable sales or
32 furnish taxable services to a state agency unless that person
33 obtains a sales tax permit. Also, the state is prohibited
34 from purchasing taxable property or services from any person
35 unless that person has a valid, unexpired sales tax permit and

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1 is in compliance with all other sales tax laws imposed upon
2 retailers. For purposes of this provision of the bill, "state
3 agency" includes the executive branch, the general assembly,
4 and the judicial branch.